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LD121308 [Editorial Report]

Afghanistan

A Foreign Ministry announcement broadcast by Kabul radio accused "armed opposition extremist elements" of resorting to "outright terrorism" by firing a U.S.-made Stinger missile at an Afghan passenger aircraft 11 June. The AN-26 aircraft was shot down over Zabol Province and 53 of the 55 people aboard were killed. The dead included 26 women and children, and the two survivors were seriously injured. The statement berated the United States for supplying the opposition with Stingers, asserting that "U.S. imperialism" and "the militarist regime in Pakistan" do not want peace and tranquillity in the DRA.

In other developments, Kabul radio reported that the defense minister and various high-ranking officers attended the funeral of a brigadier general who was killed by "extremist opposition elements" while explaining the policy of national reconciliation in Qandahar Province. A DRA General Staff officer cited by *TASS* disclosed that the authorities in Kabul have extended their cease-fire offer for another 6 months in order to continue the "nationwide dialogue." He said the reconciliation process has progressed over the last 5 months, with the surrender of 23,000 rebels and the return of over 50,000 refugees from Pakistan and Iran. However, "terrorist" attacks continued during the same period, he said, adding that 15 Afghan aircraft were shot down and thousands of people were killed or wounded in artillery and missile attacks. DRA forces intercepted several large enemy arms convoys, including some carrying missiles.

An Afghan press agency in Islamabad announced that the Soviet Union has sent a fresh armored division of about 15,000 troops to the DRA as part of an attempt to adopt a decisive strategy in the east of the country, *Xinhua* noted.

Iran

Missiles, Gulf — Iranian missiles deployed along the Gulf are "ready to be fired" and Iran is ready to use them if its interests in the Gulf are endangered, Prime Minister Mir Hoseyn Musavi stated in an interview with Turkey's *Milliyet* cited by *Xinhua*. While reaffirming Iran's claim to have built its own missiles, he acknowledged that it has also purchased some from other countries, though he refused to say where these are from or are deployed.

President 'Ali Khamene'i subsequently stated in a Friday sermon reported by Tehran radio that the U.S. fleet is "extremely vulnerable" in the Gulf, and he added that the United States would be "disgraced" if even one of its aircraft carriers was damaged by Iran's equipment and capabilities, "about which the United States has no information." Nevertheless, he stressed that Iran will not be the first to provoke confrontation.

Warning to UK — The continuation of the British Government's "hostile" policies will have decisive effects on bilateral economic relations, Tehran radio warned in a commentary on the diplomatic row with Britain.

Hajj — In remarks reported by Tehran radio, President 'Ali Khamene'i indicated that Iran plans to send 150,000 pilgrims to Mecca this year, asserting that the movement of Iranian pilgrims needs to be improved and widened in order to convey Iran's political message.

Japanese Office Attack — Four men who exploded a bomb in the Tehran office of a Japanese company called themselves communists and shouted slogans against Japan's economic influence over Iran, *Kyodo* reported, citing witnesses. No one was injured in the attack, which precedes a planned visit by the Japanese foreign minister.

PLO and Israel

Budapest Meeting — A communique issued by Israel leftists at the end of their 11 June talks with a PLO delegation in Budapest was welcomed by PLO Executive Committee member Mahmud 'Abbas as "good, positive, and brave" and as a possible basis for peace, Jerusalem television reported. 'Abbas, who headed the PLO delegation, was responding to the Israeli delegation's declaration of support for the establishment of a Palestinian state alongside Israel and for PLO participation in an international conference. The television report on the talks noted that the Israeli delegation was headed by MK Charlie Biton and included members of Hadash and Mapam. A related MTI report stated that 'Abbas praised the Israelis' courage in challenging the Israeli law which proscribes contacts with the PLO, and he expressed hope that similar meetings will be held in the future.

Damascus television reported that Al-Sa'iqah, the Fatah Uprising, and the PFLP-GC "strongly condemned" the Budapest meeting between representatives of "the Palestinian rightwing" and a "Zionist" delegation.

Sinyurah's Initiative — *Al-Fajr* editor Hanna Sinyurah may give up his plan to run for the Jerusalem City Council because of the PLO's opposition to the idea, Jerusalem radio reported. A "responsible Palestinian source" cited by Baghdad Voice of PLO radio said the PLO rejects Sinyurah's proposal, asserting that such "negative and personal ideas" only represent his own views.

Lebanon

Ba'th Party Organization leader 'Asim Qansuh announced in a statement broadcast by Beirut radio that the "progressive, nationalist parties" and the Amal Movement intend to form a "national front" to confront "partitionist and Zionist schemes." Preliminary talks by representatives of the parties concerned were held in an "extremely positive" atmosphere, Qansuh said, and a committee has been set up to draft a working paper which will be considered by the party leaders. Beirut radio noted that the parties to the talks are the Ba'th Party, the Communist Party, the Progressive Socialist Party, the Nasirite Popular Organization, and the Amal Movement.

Syria-Jordan

Jordan's King Husayn received the visiting Syrian prime minister 11 June, Amman radio reported, noting that their talks covered Arab developments and bilateral cooperation. A *Sawt*

al-Sha'b editorial on the visit praised the "distinguished fraternal relations" between Jordan and Syria under their "great leaders," asserting that such "good bilateral Arab meetings" pave the way for an Arab summit conference.

Egypt

Leftist sources cited by AFP disclosed that around 10 leading members of the Nasirite Socialists are under police interrogation in connection with the 26 May attack on three U.S. diplomats in Cairo. The Nasirite Socialists, who are seeking registration as a legal party, are alleged to have been in contact with Syria, which is suspected of involvement in the shooting.

A Beirut radio report on the situation in Egypt said the armed forces command has ordered tight security measures at munitions and weapons stores after the mysterious disappearance of a "great number" of weapons.

PLO's Khalaf, Al-Wazir on Conference, USSR Stand

JN101017 Doha QNA in Arabic 0825 GMT 10 Jun 87

[Text] Abu Dhabi, 10 Jun (QNA) — Fatah Central Committee member Salah Khalaf has announced that the Soviet Union has officially informed the PLO that it supports convening an international peace conference on the Middle East in which the PLO will participate as an independent party and the sole legitimate representative of the Palestinian people.

In a statement published in today's issue of the *Al-Ittihad* newspaper, Khalaf ruled out the possibility of holding such a conference under the present circumstances and asserted that there is currently no intention to hold one. He said that talk about an international conference is an illusion aimed at forcing Arabs to think only in terms of a peaceful settlement and avoid employing the military option, which should be the basis of a settlement.

Khalil al-Wazir, deputy commander in chief of the Palestinian Revolution Forces, told the same newspaper that an international conference, as proposed by the United States and Israel, is an international plot directed against the Palestinian cause and the Arab nation. He noted that there is so far only one format for a conference; namely, that of the United States and Israel, which call for direct negotiations under an international umbrella — only a facade with no power.

Al-Wazir warned that Israel is preparing a new military operation in southern Lebanon in response to the increasing resistance operations. This Israeli response is due to the inability of the border strip's security belt to protect Israeli settlements in northern Palestine. However, Al-Wazir asserted that Palestinian resistance is ready to confront aggression.

Al-Wazir also called for reorganizing Palestinian-Lebanese relations following the abrogation of the Cairo agreement. He stated: We welcome any Palestinian-Lebanese or Palestinian-Lebanese-Arab framework for organizing these relations and preserving the Lebanese people's civilian and political rights, as well as their right to defend their existence, security, and legitimate struggle.

Reactions to Sinyurah Election Proposal Reported

JN071203 Amman AL-DUSTUR in Arabic 7 Jun 87 pp 1, 19

[By Muhammad Abu Ghawsh]

[Excerpt] Amman, PETRA — The call by Hannah Sinyurah, editor in chief of Jerusalem's *Al-Fajr*, to promote the idea of having Arab citizens nominate themselves for membership on occupied Jerusalem's municipal council has aroused the resentment and condemnation of official and popular quarters in Jordan.

Former mayor of Jerusalem Rawhi al-Khatib has emphasized that suchparticipation would confer legitimacy on the holy city's Zionist occupation and on its annexation by the Zionist entity. Al-Khatib revealed that in the past the occupation authorities had asked him to participate on the Zionist municipal council. According to this proposed participation, seven seats would have been reserved for Arab members while Al-Khatib would have served as deputy mayor. He stated that he had rejected this offer. Al-Khatib also received another Zionist offer under which the city would have established a consultative Arab council. However, he had also rejected this offer in view of the city's continued Zionist occupation and its annexation by the Zionist entity, which had declared it as its unified capital.

Al-Khatib noted that our Arab and Muslim brothers have stood alongside us in our adherence to the Arabism of Jerusalem. They have also supported us in our rejection of all forms of bargaining, blackmail, or the relinquishing of the eternal legitimate Arab and Islamic rights in Jerusalem. This city is an integral part of our religious beliefs, our Koran, and our existence. He added: The Arab and Islamic states have reiterated that they will boycott any country that opens an embassy in Jerusalem or moves its embassy there. He indicated that UN resolutions reject the Zionist occupation's presence in the city. Also rejected are the Zionist entity's measures to modify and erase the city's Arab and Islamic features. The Zionist entity's legislative, administrative, andorganizational measures to affect Jerusalem's identity are condemned. Al-Khatib called on Arab and Islamic states to be alert to the serious campaign being propagated by the occupation authorities. This campaign calls for allowing some Arab citizens to participate in the city's administration although it still suffers under the yoke of occupation.

Fayiz Jabir al-Amin, secretary general of the Royal Committee of Jerusalem Affairs, has stated: The Arab and Islamic states were unanimous in all their conferences and resolutions on the need to restore Jerusalem to full Arab sovereignty, exactly as the city was before being occupied in 1967. He added: The Arab and Islamic states also rejected internationalizing Jerusalem or considering it as an open city. He continued: The concept of sovereignty entails political, legislative, and executive sovereignty, including administrative sovereignty. The issue of Jerusalem is therefore a collective Arab and Islamic one; everyone is committed to implementing the resolutions adopted by the ICO and Arab and Islamic summits on this matter. He said: The resolutions passed by the UN, the UN Security Council, and UNESCO have condemned the Israeli occupation. They consider all measures taken and all acts implemented by Israel's occupation authorities to be null, void, and illegal. These resolutions also express support for the Arab and Islamic stands on the issue of Jerusalem. Consequently, any call for Arab participation in the Zionist municipal council of Jerusalem constitutes a reneging on the Arab, Islamic, and nationalist consensus.

His Eminence Shaykh 'Abd al-Hamid al-Sa'ih, the PNC speaker, has warned against the consequences of this Arab participation in Jerusalem's Zionist municipal council.

In a statement to *Al-Dustur*, his eminence said: The Arab consensus was based on the nonrecognition of Israeli's presence in Jerusalem for both pan-Arab and Islamic reasons. Consequently, the municipal council headed by Teddy Kolleck is considered to be illegal. All Arabs still recognize Rawhi al-Khatib as the legitimate mayor of Jerusalem despite his expul-

sion from the city and the fact that he, along with his colleagues in the municipality, were banned from carrying out their duties. All Arab brothers in Jerusalem and the West Bank must thus be well aware of their national duties. Furthermore, they must not allow themselves to fall into the trap represented by any Zionist statement or by any Israeli act of deception; otherwise, they may find themselves intentionally or unintentionally belonging to the enemy's ranks and adopting a position contravening both the Arab consensus and the requirements of performing the national duty. We greatly hope that our brothers in and around Jerusalem will be aware of the dangers posed by their participation in any municipal council not representing the Arabs in Jerusalem, the city in which Arabs will never relinquish their rights. As stated, any different stand will be considered as reneging both on the Arab consensus and the national duty. We do not believe that any Arab will allow himself to adopt different stands. [passage omitted].

Election Call Denounced

JN100635 Damascus Domestic Service in Arabic 1515 GMT 9 Jun 87

[Text] The Palestinian Popular Struggle Front has vigorously denounced the suspect call by Hanna Sinyurah for Arab citizens to participate in occupied Jerusalem's municipal elections. Dr Samir Ghawshah, secretary general of the front, said that he considered Sinyurah's call to be a deviation from the Palestinian stand and a response to calls for normalizing relations with the Zionist enemy.

Commenting on recent Lebanese developments following the assassination of martyr Rashid Karami, Ghawshah stressed the need for strengthening ties among nationalist Lebanese parties and forces,as well as fostering the nationalist Lebanese-Palestinian-Syrian alliance. He also called for stepping up Palestinian-Syrian relations to achieve effective Arab solidarity to confront imperialism and Zionism and for an increased joint struggle with world liberation and progressive forces led by the friendly USSR.

Proposal Termed 'Negative'

JN120729 Baghdad Voice of the PLO in Arabic 1814 GMT 11 Jun 87

[Text] A responsible Palestinian source has warned against being dragged into peripheral issues that distract attention from the struggle against the Zionist enemy. In an exclusive statement to WAFA yesterday, the source referred to the courage demonstrated by the Palestinian masses in the occupied territories while being confronted by terrorist attacks launched by the occupation army and the settlers' gangs.

The source stated: Our people's uprising on the 20th anniversary of the occupation of the West Bank and Gaza Strip reaffirms their adherence to their revolution and organization. This action also reaffirms their inalienable right to return home, to determine their future, and to establish an independent state. The source denounced any ideas or programs that contravene the duty of firm confrontation with the occupation forces or undermine national resistance on the Zionist occupation's 20th anniversary.

The source added that ideas such as the one proposed by Brother Hanna Sinyurah which advocate Palestinian participation in the Zionist municipal elections in occupied Arab Jerusalem are negative.They are personal ideas representing only Sinyurah's own views. These ideas are firmly rejected by the PLO.

Prime Minister Delivers Government Statement

NC061440 Cairo AL-AHRAM in Arabic
7 Jun 87 pp 6,9, 11

[Prime Minister 'Atif Sidqi's presentation of the government statement to the People's Assembly in Cairo — live]

[Text] In the name of God, the merciful, the compassionate. Speaker of the People's Assembly, brothers and sisters, members of the esteemed Assembly: May God's peace and blessings be upon you. I greet you on this day. It is my pleasure, on my own behalf and on behalf of the government, to offer the most sincere congratulations to all members of the Assembly. The public has put its trust in you and you have shouldered the responsibilities of a new phase that will perpetuate democracy in our beloved country. I wish you a session full of activity and accomplishments as you carry out your legislative and supervisory role.

It is an honor for me to meet today with the representatives of the noble Egyptian people, to present the government's policy and its plans for the next stage. These plans are a continuation and assertion of the government's strategy and programs to rectify the economic and social course and to achieve that comprehensive development of which I spoke when I delivered the government's statement to the previous People's Assembly on 29 December 1986. In presenting this statement to your esteemed Assembly, the government is looking forward to receiving the support of both the majority and the opposition, so that we may achieve our great people's general aspirations for progress, prosperity, and stability and secure this people's legitimate right to a dignified life. The government undertakes to make every effort to fulfill its responsibilities. In doing so, it will be guided by its commitment to the letter of assignment of the president of the Republic on the occasion of the government's formation last November and the president's addresses to the People's Assembly and the Consultative Council, within the framework of the law and Constitution.

The statement I have the honor to present to you is based on certain fundamental points of reference, which are as follows: 1) Internal stability and national security; 2) the government's strategy for the future; 3) the government's social and economic policies; 4) the government's accomplishments and programs related to the public and private sectors; and 5) foreign policy.

With regard to internal stability and national security, the government's conception of the preservation of internal security rests upon the need to ensure the observance of several basic socio-economic principles. Foremost among these are the rule of law, adherence to democratic practices, consolidation of loyalty to the homeland, the attainment of economic and social development, and protection of the security of the country and citizens. Legislation that implements the will of the masses and which is formulated in accordance with the Constitution is not sufficient in itself. What is more important is the just application of that legislation by the adherence of all state authorities to the provisions of law and decisive confrontation of all forms of illegitimacy. All citizens must feel that anyone who deviates from the law will be called to account, regardless of his position or title, and that the law exists only to protect the citizens and their security. This is connected with the independence and immunity of the judiciary, which is the basic guarantee for the rule of law among the people. Democracy has been and still is considered the top priority in the national effort.

Democracy has been and still is a basis of national action because it is, in essence, the rule of the people, by the people, and for the people. Through democracy we can achieve popular participation and create a sense of belonging to the homeland. Proceeding from this basis, the government stresses the need to provide an atmosphere that allows the expression of various views for the ultimate well-being of the homeland, that grants complete freedom of expression to all mass media, particularly the press, and that allows for a diversity of views to enrich thought and lead to a selection of the best alternatives. The government believes that there is an integral relationship between expanding popular participation and democracy. Therefore, we must empathize with the masses in their problems and aspirations and be honest with them, explaining truthfully and frankly the dimensions of the current situation and the possibility of solution through dedication.

To promote domestic stability we must consolidate the values of national affiliation, particularly among youths, to ensure that they will participate seriously in the comprehensive development of their community. This entails providing everything that will strengthen these ties. First and foremost, we must create a political and social atmosphere that gives the Egyptian a sense of security regarding his livelihood and future, convincing him of his worth and the value of participating in national action for the ultimate benefit of the community and the individual. We must also create harmony between trends of thought and culture based on the spiritual and cultural principles of Egyptian society, stressing culture as a social approach to strengthening the roots of the Egyptian character. Our culture is an integral part of the comprehensive development of the state, in addition to economic and social development.

In the meantime, the government has not hesitated to rectify passive aspects that may weaken the sense of belonging among some, like the extremist trends of thought promoted through various communication channels; the effects of democratic abuses by some persons, such as campaigns which incite and raise doubts among many loyal citizens; and the impact of the economic crises which affect the country at certain times, particularly the suffering of those with low incomes.

Economic and social development, which is aimed basically at making necessary structural changes, is a fundamental basis of the community. Through this development many of the daily problems facing the public can be solved. This development can also create new job opportunities for youths and fulfill the aspirations of present and future generations for a stable economy and a higher standard of living.

Therefore, the government believes in the importance of a fixed strategy, clearly outlining future plans and national long-term objectives, to be achieved within a given period. This strategy is based on the fact that economic development is part of a balanced, comprehensive development. As such, it is closely linked with the social, political, and cultural framework of society.

Economic development must strive for a growth rate higher than the population growth rate, which will allow a continuously improving standard of living for all, according to acceptable and suitable rates within the framework of social justice.

This is linked to the permanency of legislation in various spheres, particularly the economic one, including the areas of investments, foreign trade, and monetary, credit, and financial affairs. To achieve this permanence, a number of legislative measures have been and are being reviewed to standardize, simplify, integrate, and link them with the aims of the socioeconomic development plan.

Comprehensive development requires stability in the homeland and among the citizens. It is the basis for implementing all plans for progress and construction. Hence, protecting national security in the full sense of the term is our primary responsibility. Strengthening the Armed Forces so that they can defend the homeland is a trust placed in the hands of the government and every Egyptian who desires a dignified life for himself and his family. Consequently, the government stresses its commitment to strengthening our valiant Armed Forces [applause] by developing armaments, improving training, using state-of-the-art military technology, and providing a developed industrial base for arms production.

Increased production and the subsequent prosperity of citizens cannot be achieved without a stable nation established on firm foundations. Hence, it is incumbent upon the government to strengthen internal security, whether in the political, constructive, economic, or social sphere. Therefore, the government will spare no effort in developing and strengthening police and security organizations to enable them to perform their various and expandingduties in all fields [applause] with the desired efficiency, providing stability and internal security. In this respect, the government stresses that it will not hesitate to deal with all instances of security violations forcefully and firmly.

Let us address the government's strategy for the near future. The national economy is facing many problems, primarily holdovers from the past, the most important of which are weak production and productivity, structural imbalances, and large internal and external debts. The solutions must be comprehensive and complete within the framework of a strategy of long-term national objectives, taking into consideration the connection between these problems. The outlines of this strategy were detailed in the previous government statement, delivered to the respected People's Assembly on 29 December 1986.

This strategy generally involves five main points: increasing production and productivity, fully mobilizing internal and external resources to confront the economic situation effectively, confronting the population problem, developing human resources, and achieving greater self-sufficiency and social justice.

With regard to an increase in production and productivity, we are still suffering from a failure to produce certain basic commodities domestically to meet local requirements. Rising demand for these commodities and a shortage in their supply are liable to lead to an increase in local prices. This has actually happened. There is also the danger of a continued reliance on the outside world to fill this gap, thus draining the state's foreign currency reserves. Moreover, the gap between production and consumption limits the state's ability to increase exports. Increased exports are the key to the problem of scarcity in foreign currency and its consequent effects on the exchange rate and foreign debts. Therefore, the question of increasing production both quantitatively and qualitatively will be a prime and inevitable objective of national action in the coming stage.

It is the government's view that the first consideration should be given to improving productivity in all fields. In this regard, it is important to bolster scientific research and adapt production techniques to the conditions of Egyptian society and the local environment. Furthermore, it is necessary to improve methods of scientific management, to pay attention to the training of workers, and to provide skilled labor. Second, consideration should also be given to the assessment of hitherto unexploited potential and the preparation of programs to rectify this situation and remove its causes. These causes may be summed up as follows: A shortage of raw mateirals, power failures stagnant storage, outdated machinery, and worker absenteeism. Third, ways must be found to cut down the losses sustained in the production process and in distribution channels. This is extremely important. Losses in some basic agricultural crops, for example, have been far too great.

Regarding an increase in production, there must be continued support for the national economy's infrastructure, both on the material and social levels.

Mobilizing internal and external resources: The government believes that national resources must be mobilized and used more efficiently. They must be better utilized to increase the benefits derived from them and to ensure that economic development plans can bear visible fruit. This is linked to the need to establish a comprehensive and sound data base and expand the use of modern information systems that assist decisionmakers. The government is seeking to mobilize all local resources in the public, private, and cooperative sectors to provide for all possible consumer and production needs.

The public sector is the principal tool for implementing the development plan. It is undertaking the basic projects other sectors cannot handle. The government is working to solve the problems facing this sector so that we can benefit as much as possible from what it has to offer. This is done through modernizing its managerial systems, giving management the freedom to use available resources, tackling the imbalances in the financial structures of public sector companies, and constantly reviewing the bases for product pricing in order to strike a balance between the social burdens it is shouldering and its needs for economic recovery. It will also deal with the causes of some units' losses.

The government is sparing no effort to provide the appropriate environment for the private sector's growth and development in order to increase its contribution to the socioeconomic development process. We are simplifying all measures related to this sector's activities, making permanent the laws and statutes for its operation, developing an investment system, and eliminating obstacles to its involvement in financing available projects by

fully guaranteeing their confidence and security. The government does not object to private capital contributions to all activities from huge production projects to the smallest vocational activity. Such contributions encourage the flow of the private sector's savings into investment fields. This is in addition to providing opportunities encouraging expatriate Egyptians to forward their funds and savings, increasing their participation in building the national economy.

At the same time, the government stresses the need for and importance of bolstering cooperative movement in all fields and removing all obstacles to the expansion of its activities. Efforts are being directed now toward drawing up appropriate simple and clear legislation to that end and linking the cooperative sector to the socioeconomic development plan.

The government realizes the importance of assessing the resources of various districts, acting to utilize them to the utmost, and of strengthening local government organizations through finances and personnel. The goal is to enable them to play an effective role in regional development and encourage intrinsic efforts through the positive participation of individuals and popular organizations and associations in implementing local development projects.

Regarding external resources, the government has made and is still making efforts for a total assessment of loans and grants, the sums already spent, and the possibility of investing unused grants and loans for productive projects capable of servicing these loans.

The population problem: The population problem in Egypt with all its inherent aspects, which impede comprehensive development, is a very important socieconomic topic affecting our lives and national economic standards. The dimensions of this problem are notable in the high rate of population growth, the disproportionate geographic distribution, the low ratio of productive manpower in relation to the total population, and the high rates of illiteracy and disability. All this is reflected in the low productivity of the Egyptian worker and the rapid increase in the rate of consumption for goods and services.

Overcoming these aspects or curbing their sharp effects could transform the population into a source of national wealth through proper utilization. Therefore, the government acts to enhance social aspects in development programs through national plans which seek tochange the social behavior connected with the concept of reproduction. This can be accomplished by reducing population growth rates, intensifying efforts to gradually eliminate illiteracy, linking education policy with future manpower requirements, expanding technical education, expanding education qualitatively and linking it with development, introducing suitable advanced education technology, promoting training efficiency, and preparing teachers well. This should be coupled with economic and social development in the rural areas, raising health standards and subsequently increasing productivity.

The government is aware that solving the population problem requires full coordination with the popular efforts sponsored by associations. The political parties can also play a positive role in tackling this problem, which is a national issue. Mass media and cultural services have a very important role to play, as do men of religion, who bear a major responsibility in solving this problem.

Increased self-sufficency: One of the pillars of our strategy for the coming stage is to strengthen the Egyptian economy's ability to finance development programs and achieve the highest rate of production, whether to meet domestic or export requirements. This requires encouraging increased domestic savings, creating further saving systems to benefit various categories of savers, providing incentives that will guarantee utilization of such savings in financing investments, and reassuring investors about the safety of their money. We must also establish communication with Egyptian expatriates, either through government organizations or financial institutions, to advise them on the best ways to invest their savings in the Egyptian economy.

The government realizes that concentrating on commodity production represents the most effective means of fulfilling domestic requirements, boosting export capability, lowering the need for imports, and raising the standards of self-sufficiency. This must be linked with the use of advanced technology adjusted to our social conditions and circumstances. In addition, a national technological base must be provided, allowing us to manufacture the machines, equipment, and spare parts necessary for production. This will eventually lead to the reduction of the foreign element in financing investments. Concentrating on commodity production in the next phase will require the elimination of all obstacles and difficulties facing the process of land reclamation and strengthening local government organizations. This can be done through reclaiming as much land as possible, determining the areas to be allocated for the private sector, and offering them as soon as possible to those who wish to contribute to the reclamation and cultivation of the land. The government also believes that it is necessary to reevaluate the kinds of crops now grown in an effort to maximize agriculture's contribution to meeting our food needs and to increase the growth of export-oriented crops such as vegetables and fruits. The government has accomplished much in this regard and in enhancing research and technology and creating organizations to disseminate technical information to various agricultural advisers to help them increase the output of the feddan.

Social justice: The government stresses the importance of the social dimension in the development process in ensuring balance and consolidation. The government wishes to achieve democratic socialism within the context of the Constitution in such a way as to prevent exploitation, narrow the differences between classes, protect legitimate profitmaking, guarantee just distribution of public burdens and expenditures, and ensure a minimal level of solidarity. Understanding these dimensions, the government is working to increase the proportional value of actual wages in the structure of the national income, continuously revising minimum wage level and tax limitations and exemptions to adapt them to current needs. The government will continue to increase wages as production output grows. This also applies to pensioners' income, in appreciation of their role and acknowledgement of their services to society. The government affirms that the principle of subsidizing basic commodities will not be affected, and the subsidies will be rationalized to ensure that they will reach those who deserve them. Nor will the principle of free education be affected. Education methods will be developed in keeping with

modern times. Continuous revisions will be made to tax laws to bring them in line with our understanding of the principle of social justice. Furthermore, privileges will be granted to those with limited incomes, including low- and medium-cost housing, an effort on which the government will concentrate, God willing.

Social and economic policies: The implementation of the government's strategy in the coming stage requires the inclusion of a number of general national policies that are effective, pragmatic, and integrated. The policies which are probably the most important and which should receive special attention from your respected Assembly and the government are investment, financial, monetary, and credit policies; prices and cost of living policies; and foreign policy.

Investment policy: The importance of investment lies in the fact that it is the most significant variable [al-mutaghayyir] that can be used to achieve the aims of development in terms of raising the level of the national income, rectifying the national economy's infrastructure, utilizing the available resources, etc. The purpose of an investment policy is to determine the overall volume of investment and the means of raising the finance required, as well as to establish its appropriate distribution in the various sectors and regions in accordance with specific objectives.

The government is aware that the achievement of stability in investment efforts requires that reliable sources of finance be secured, and it is working on this basis. The government's policy in this regard entails taking all measures that will guarantee improved efficiency in mobilizing national resources to the highest possible level and channeling these resources into a sound development course. It also entails raising the level of national savings to a point where they become the principal source of finance and encouraging national, Arab, and foreign private sectors to play a bigger role in the investment process. The banks, meanwhile, will contribute substantially to financing investment, and foreign banks will not be resorted to unless absolutely necessary, and then only within the narrowest bounds.

The government believes investment policy must be used as an effective tool to eliminate the structural imbalances in the national economy. It must be used to achieve balanced growth in the principal commodities sectors — agriculture, industry, and construction — and other service sectors, both material and social ones. It also believes that existing production sectors must be maintained through the provision of the necessary resources for replacements, renovation, and retraining. Sufficient investment must be made available to accelerate the completion of projects designed to make use of currently unproductive resources. The government also believes in the provision of investments to expand resources that are productive.

The allocation of priority in investment in new projects is based on a number of criteria. The most important of these are whether a project increases society's ability to export, whether it depends on those human resources and primary materials that are locally available, and, in the case of projects being set up in new urban centers, whether it achieves the environmental dimension for the national plans. In the allocation of new investments, care should be taken to ensure that a balance is achieved between industries that produce consumer goods and those making production goods in order to guarantee stability for development efforts and increase the returns on them.

Fiscal policy: Our fiscal policy in the next stage is designed to reduce the overall deficit in the state budget. It is linked with the need to eliminate the current deficit within a specific period and, consequently, also to eliminate the net deficit which constitutes a major source of inflationary pressure on the national economy. On this issue, the government's policy is based on two points; namely, rationalizing public expenditure and increasing public revenues.

With respect to public expenditure, the government is seeking the best ways to provide services at the lowest possible cost without making any sacrifice of efficiency. It will also rationalize government allocations to the public works sector by remedying this sector's ills. Furthermore, it will deal with the reasons that have caused some of this sector's units to suffer losses. This will be done in such a way as to eventually produce a real surplus, so such units will not need to resort to the state budget for assistance in meeting their obligations or losses. The government will also rationalize subsidies so that they will be restricted to those with fixed and low incomes, and it will seek to reduce the burden of the public debt by making the best possible use of loans and by not asking for loans except when necessary.

With regard to revenues, the government is improving the efficiency of the tax administration, fighting tax evasion, making intensive efforts to accurately assess taxpayers' obligations, and developing the system of taxes in a manner that will bring it more in line with the principles of justice. This has included a study — now almost completed — of methods of transition to a system of levying a uniform income tax.

Currency and credit policy: There are several goals of the currency and credit policy for the next stage. First among them is the continued reduction of the rate of increase in payments [as heard] in order to gradually eliminate inflationary forces in the market and to provide the required finance for economic activity. The way in which this will be done will be in line with the priorities of the economic plan and the desired growth rates for the major economic sectors. At the same time, a study will be carried out on the implementation of a credit policy. This policy will be designed to support production projects so that the phenomenon of lack of liquidity from which such projects suffer may be eliminated and past debts may be settled by appropriate methods that will guarantee continued economic activity and support. In this respect, the public and private sectors will be treated equally.

Another goal of this policy is to increase the efficiency of the banking system in attracting savings and granting loans and credit facilities in order to eliminate the financial transactions taking place outside the banking system, which are considered to be one of the most negative phenomena in our modern Egyptian economy. The Central Bank's role in organizing and supervising monetary and credit policy must be bolstered. In this regard, we refer to the recent measures taken by the Central Bank to amend the loan interest system and to tie interest rates to withdrawal dates so that the true cost of the capital is shown and the continued encouragement of agricultural and industrial produc-

tion activities is guaranteed. The government is paying particular attention to these commodities sectors because of their role in closing the gap in local consumption.

With regard to private investment companies, the government reiterates in this statement what I told you on 29 December; namely, that the government does not object to these companies so long as they are legal and operate within the limits of the purpose for which they have been set up and in line with their legal form. They must also employ proper accounting and financial methods that ensure that the soundness of their ventures and their financial positions can be checked and that the citizens' money is in safe hands.

The prices and cost of living policy: Undoubtedly, the rate of increase in prices — and this is a fact — has accelerated in the past few years, making people aware of a rise in the cost of living. This has resulted from a number of interconnected factors that were detailed in the government policy statement to the last People's Assembly in December 1986. The government stresses that, in the long run, an increase in production and demand and an increase in the productivity of Egyptians represent the only way to tackle the problem of price rises.

The government's policy for controlling prices in the short and medium terms centers on more than one point. First of all, the government has taken and is taking — as you might have noticed — all possible measures to provide basic foodstuffs and commodities and achieve a balance between supply and demand. At the same time, the media and other services that influence public opinion were asked to undertake campaigns to change consumption habits or influence them in line with the production structure and to convert part of the demand for products in short supply into a demand for alternative commodities.

Moreover, the government is aware of the need to reduce production costs by avoiding all forms of waste and extravagance in the various stages of production, packing, storing, and marketing, and is acting accordingly. The government has also taken measures to reduce import costs. The government program includes proposals to simplify marketing operations and do without middlemen in such a way as to reduce profit margins and ensure that consumers have access to goods at lower prices. The government has made considerable progress in this regard.

As for prices, the government continuously examines the pricing of agricultural crops in order to provide incentives for increased agricultural production, with a view to achieving the long-term objective I mentioned earlier. The government recently increased the price it pays to rice growers by approximately 16 percent. Similarly, cotton prices have been increased by an average of 26 percent. Sugar cane prices went up by an average of 12 percent. All these measures were part of the policy designed to encourage agricultural producers to meet production costs and motivate them to step up productivity.

The government stresses the importance of a just distribution of subsidized basic goods so that the subsidy may reach the deserving sectors and be restricted to the final finished goods and products. The ultimate goal is to determine the economic price of every product in a manner which increases the efficiency of the producing units. This is what the government has indeed acted to achieve, and it has made considerable progress.

The outside world: The balance of payments suffers from a major deficit due to the fact that imports exceed exports. Thus, a policy of encouraging exports and rationalizing imports is obligatory for the government. During the last few months, the government took several measures to promote exports. A number of decisions were issued to facilitate exports. This is the first step, I repeat, the first step in the complete removal of all impediments to export. The government has also turned several trade agreements into long-term ones, expanded reciprocal transactions, and provided more incentives and sources of finance for exports. The government will continue along these lines, in addition to extending projects dedicated to the export of both services and goods. All this is part of a national export plan that seeks to increase exports and reduce costs.

In addition, the government has made efforts to increase foreign currency revenues from the Suez Canal and expatriates' remittances. It has also doubled its efforts to promote the various types of tourism: religious, cultural, health, and recreational. You must have noticed that. The government has also introduced new kinds of tourism, like incentive and conference tourism, and made efforts to raise standards in public hotels and tourist institutions and in services, which are provided at considerable cost.

In order to reduce imports, the government is relying on its plans to support the production performance of the national economy, lessen the amount of foreign investment in the financing of the 1987-92 5-year development plan, and encourage the local production of semifinished and investment goods and spare parts.

The government has started using the exchange rate as an instrument in its policy for dealing with the outside world. It has attended to the flaws in the foreign exchange market and is bringing about the gradual amalgamation of the commercial banks complex and the free market to reach a realistic standard rate of exchange within 18 months of this date. This rate will apply to all foreign currency dealings carried out through the Central Bank. The government has decided to maintain the current rate of exchange applied by the Central Bank, which is 70 piasters [as heard] to the dollar, to enable basic commodities to be supplied to the citizens at prices that low-income groups can afford. The most important measures taken in this respect are perhaps the creation of a free foreign currency market and the permission given to accredited banks to buy and sell foreign currency in order to reach a standard rate of exchange.

The government hopes that these measures will lead to a more efficient direction and use of foreign currency revenues through legitimate banking channels. It also hopes that these measures will ultimately lead to stability in the exchange market and enable the public and private economic sectors to obtain their foreign currency needs so that they may increase production for the purposes of local consumption and export.

In the field of foreign loans, the government seeks to reduce reliance on them without hampering development efforts. The government is working on the adjustment of the loans structure

in favor of easy-term loans with a lower economic cost. It is sparing no efforts in this regard.

In view of the accumulation of Egypt's foreign debts in recent years for reasons known to all, the most important of which is perhaps the fall in its foreign currency revenues, it was necessary for the government to seek the alleviation of the burden of these debts and their rescheduling so it might go ahead with development efforts without any hindrances. An agreement in principle has been reached with the IMF, according to which Egypt's creditors agreed 2 or 3 weeks ago to reschedule all the arrears accumulated up to the beginning of 1987; that is, the arrears accumulated until 31 December 1986. They also agreed to reschedule the debts that are due between this date and June 1988 on the basis of a 5-year grace period and a 5-year settlement period.

I now move to the consideration of accomplishments and to the government's programs for the various sectors in the coming year. The 1982-87 5-year plan achieved a great deal, both on a national level and within individual sectors. There was a 7.4 percent annual increase in the gross value of local output, according to the average prices fixed in 1981-82. In the government statement to the last People's Assembly that I delivered on 29 December 1986, I outlined the achievements in the various sectors during the first 4 years of the 5-year plan. I will now present to your esteemed Assembly the most significant achievements of the past months of the 5th year of the plan, according to forecast and actual statistics.

Perhaps the most important achievements were in the agricultural sector. The most significant accomplishments in the agricultural sector included an increase in the number of centers for servicing agricultural machinery — 18 centers were constructed and completed, the improvement of the soil of approximately 573,000 feddans, the expansion of model [istirshadiyah] units and villages, the increase of each feddan's production of agricultural crops, especially maize, sesame, soya beans, and spring onions, by percentages ranging between 1 and 6.3, and the infrastructure work for the reclamation of 68,000 feddans.

With regard to irrigation, covered irrigation channels have been built to service 100,000 feddans. The networks of covered irrigation channels for 7,000 feddans have been replaced or renovated. Also, open irrigation networks have been constructed for 200,000 feddans.

In the industrial sector, the output forecast for the year 1986-87 has actually gone up, reaching 9,213 million pounds, an 18 percent increase over the actual output for the year 1985-86. All industries have contributed to this increase, particularly food industries, the output of which has risen by 37 percent; in chemical industries, the increase was 25 percent; in mining and thermal industries it was 11 percent; and in the yarn, textiles, and ready-made clothing industries it was 7 percent.

In the electricity sector, additional capacities of approximately 560 megawatts have been installed and there has been further electrification of rural areas. In general, the accumulative capacity during the 5-year plan period has increased by about 3,510 megawatts, which is nearly triple the amount achieved during the years 1972-82.

In the petroleum sector, our production of crude oil is expected to reach 42.8 million tons, and of gas 5.4 million tons by the end of this year; that is, by the end of this month. It has been decided to maintain approximately the same level of production as that of 1985-1986 in view of the situation in the oil market.

In the transport and communications sector, the railways have been improved. A total of 155.5 km of railway lines have been renewed and seven projects to upgrade the railways have been implemented. The most important of these are the Cairo-Suez, Sawhaj-Jaj' Hammadi, and Qina-Safajah lines. As for the subway project, the tunnel and the bridges and power plants linked with it are expected to be completed in September 1987. With respect to passenger transport, 155 new buses have been added to the bus fleet serving the intercity lines. Some of these buses have been imported and the rest are on order and will be received by the end of this month. The trucking fleet has acquired 191 new trailers and trucks. Six new ships have been added to the maritime transport fleet, and the air transport fleet has received one new plane, a Boeing 737. The telephone network has been enlarged by approximately 150,000 new lines this year. There has also been a marked increase in telex lines.

New methods have been devised to develop tourism through conventions, package tours, and the encouragement of charter flights, which help to increase tourist activity. In addition, we staged the opera "Aida," which was attended by numerous international personalities.

In the construction sphere, 1,565 new accommodation units have been delivered, 85 km of potable water lines have been laid, sewage pipes have been laid and completed, electric power generating plants have been constructed, and roads have been built in Sinai, the northern coast, the new valley, and the Red Sea. In addition, the Mardella tourist village and the Marina international village have been established.

In the housing sector 121,500 housing units have been built. Altogether, 812,000 housing units have been constructed during the years of the economic plan. Of these units, 58 percent were low-cost housing, 30 percent medium-range housing, and 12 percent above average housing. This is more than the number of housing units built between 1960 and 1979.

As far as public utilities are concerned, potable water and sewage projects have been implemented in Cairo, Alexandria, and other regions to the tune of 360.8 million pounds. Investment projects totaling around 84.2 million pounds have been implemented in the supply and internal trade sector. These took the form of mills, pasta factories, bakeries, silos, and distribution centers.

Regarding the educational sector, the government has worked and is working to develop university education. A major conference on this topic will be held this year. It will be attended by experts, intellectuals, thinkers, politicians, and media experts. Curricula in the technical institutes have been improved, with the introduction of new specialized subjects and the expansion of required subjects, such as cooling, air-conditioning, electronics,

computers, etc. Four religious institutes have been established. The government has also rationalized the policy of acceptance in the secondary stage to achieve an expansion of technical and industrial education. A review of all pre-university educational curricula and of the contents of the books used is now underway under the educational plan. It is expected that definite results will be reached before the start of the school year, God willing, with regard to developing the basic educational curricula.

In the field of preventive health care, 37 rural health centers and 8 urban centers have been built and are in operation. In addition, 722 health centers in cities and urban areas and 222 centers in the countryside have been modernized. The government has taken an interest in combating indigenous diseases. The spread of bilharzia has been stemmed. As regards treatment and care, a number of hospitals and outpatient clinics have been modernized. The government is making every effort to complete 14 hospitals, the construction of which was begun 15 years ago. When finished by the grace of God, these hospitals will provide 4,030 beds. Services in the hospitals of the health care association in Cairo have also been improved.

In the field of communications, the radio and television transmission center in Siwah has started operation. In addition, transmission centers have been installed and tested in Al-Wahat al-Bahriyah and Wahat al-'Arish. New offices for local media have also been set up.

In the field of social care, direct insurance has been applied to 281,000 citizens. The number of those insured by 30 June 1987, will increase, God willing, to 12.4 million citizens.

The programs for the various sectors for the year 1987-88, that is to say, the government's program and its projects for the coming year: The government has completed its draft of the 1987-92 5-year plan and submitted it to your esteemed Assembly. Discussion of the plan will begin in the next few days, God willing. Under the plan, investments will be made amounting to 46.5 billion pounds. This figure includes 28.5 billion pounds for the public sector and 18 billion pounds for the private sector. The plan also seeks to create an average of 413,000 new jobs each year and increase the total local income by an average of 5.7 percent annually at prices fixed at 1986-87 levels.

The following are perhaps the most important objectives of the new plan:

1. To improve the intrinsic performance of the Egyptian economy by concentrating on the production of commodities, improving the quality of products in the various fields, increasing export capability, mobilizing various local resources to provide investment needs, reducing the foreign element in investment finance for the plan, improving methods of managing the national economy, and bolstering and encouraging the role of the public sector in production.

2. To strengthen the material and social infrastructure, represented by electricity, transport, communications, housing, hygienic drainage, potable water, education, health, social, religious and youth welfare, information, and education in order to raise individual standards of living. This will have its effect in improving the performance and production of the Egyptian people.

3. To establish demographic and geographical balance. A top priority in this regard is the redistribution of the population in such a way as to ensure that people move away from the narrow valley and settle in the new communities. A regional plan will be prepared to help the entrenchment of the new projects, the fair distribution of investments, and a proper distribution of manpower in the various regions.

In this statement to the esteemed Assembly, we will very briefly review the programs for the various sectors, which are scheduled to be implemented during the year 1987-88, the first year of the new 5-year plan.

With regard to the agricultural sector for 1987-88, the plan calls for increasing production [al-intaj] by 3.5 percent and total output [al-natij] by 3.7 percent. The plan also envisages improving the soil for an area of 400,000 feddans by increasing productivity on that land. One of the most important projects in the government plan is to build covered drainage systems to serve 180,000 feddans and public drainage projects to serve 120,000 feddans. This is in addition to building 7 automatic service stations, developing the infrastructure necessary to reclaim 92,500 feddans, constructing a nonconventional animal feed factory, establishing three units for producing dairy and other animal products, and setting up a similar number of veterinary units. The project also includes the construction of three metal grain elevators with a capacity of 90,000 tons, providing covered storage units each with a capacity of 75,000 cubic meters, and building fishing farms extending over an area of 2,000 feddans.

In connection with the industrial sector, the plan anticipates increasing production by 7 percent and output by 7.4 percent. The government plan calls for increasing the production of caustic soda by 61.8 percent, electrical washing machines by 60.6 percent, reinforced steel by 54.5 percent, plate and blown glass by 51.3 percent, buses by 48.5 percent, passenger cars by 23 percent, cement by 22 percent, and ready-made clothing by 15 percent. The planned production increase for other manufactured commodities ranges from 1.7 percent for blankets to 12.7 percent for animal and poultry feed.

Among the Ministry of Industry's important projects is replacing the machinery of and renovating the existing sugar factories, completing the Jirja sugar plant so that it may begin production, increasing the capacity for refining and canning consumable oil, and finishing seven animal feed production facilities with a total output of 400,000 tons of enriched animal feed. Two units for the manufacture of clothing are scheduled to be completed and will begin production with a capacity of 3 million pieces of ready-made clothing, part of which will be exported. In addition, there is a plan to increase tire production at the Transport and Engineering Company and the production of graphite and carbon products at the Al-Nasr Pencil Company. To meet the shortage in agricultural needs for nitrogen-based fertilizers and for decreasing the demand for imports, the Abu Qir Cement Company has launched the ammonium nitrate fertilizer production project.

Among the important engineering and metal industries projects is a plan to manufacture refrigerators and washing machines at the Delta (S) Industrial Company and to expand the Al-Nasr automobile manufacturing company in an effort to increase production capacity and the rate of local production. There also is a plan to commence production of high-pressure flexible cast iron piping and to build an aluminum production plant.

The government plan also envisages setting up the Burj al-'Arab salt production facility, which is expected to produce 350,000 tons of sodium chloride, and to exploit the Al-Mahamid Sharq phosphate plant to produce 600,000 tons of concentrated raw phosphate. The plan also calls for modernizing the Alexandria factory to manufacture the required thermal facilities to produce sponge iron and to expand the cement and steel companies.

Regarding the oil sector, crude oil production will be increased by 3.8 percent, gas and its derivates by 11.7 percent, methane gas by 45 percent, and petroleum products by 2.5 percent. [applause]

The government program includes allocating the necessary investments to boost exploration projects and oil production development, as well as to expedite the completion of ongoing refinery projects and having some of them commence production to meet local oil consumption needs.

In the field of electricity, the program calls for increasing capacity by 8 percent, moving from last year's 28.07 billion kilowatt hours to around 30.3 billion kilowat hours. This will be accompanied by a rationalization of electricity consumption, particularly with regard to residential and commercial use which has exceeded two-thirds of the consumed energy.

Particularly important investment projects in the electricity sphere involve replacing and renovating a number of existing power generating plants, expanding electricity in 300 villages and 10 cities, completing the electricity projects for Suez, 'Ataqah, Shubra al-Khaymah, and Damanhur, finishing ongoing projects in the rural electrification program, and beginning the expansion of the Suez, 'Ataqah, Abu Qir, and Talkha power plants.

In the transport and communications field, the plan calls for continuing to develop the railroad sector, including the improvement of 168 km of track, God willing. This utility will be helped with the addition of 10 engines. The metro tunnel track will be completed next September, as I have already told you, and the opening and paving of the 155 km-long Ban' Suwayf-Al-Minya road will be finished. The repair of the 74 km-long Ismailia-Port Said Road also will be completed, and other secondary roads totaling 195 km will be built throughout Egypt.

There will be an increase of approximately 100,000 lines in the telephone network, thus bringing the total capacity of the telephone system to 1,543,000 lines by the end of the year. The Cairo-Alexandria microwave network will be completed, as well as the Cairo-Alexandria coaxial cable and the Suez-Al-Qasir cable.

The Egyptair fleet will be expanded, and services linked to civil aviation will be improved, as I have already told you.

Work will start on Pier No 8 in Port Said, and the Suez Port's northern pier will be expanded. The capacity of Alexandria port's storage refrigerator will also be increased. New anchorages [taksiyat] will be established and some areas of the Suez Canal will be expanded.

There are major projects planned in the realm of tourism, including improving the Mena House Hotel and completing the Port Said Itab Hotel and the Cairo Sheraton annex. The construction of the Nasr City conference hall will continue.

With respect to the building sector, a potable water plant will be built in Al-Qantarah al-Gharbiyah to supply the Al-Qantarah-al-'Arish water network with approximately 22,000 cubic meters daily. In addition, the Suez water plant will be used to supply the Martyr Ahmad Hamdi Tunnel-Abu Rudays water network with approximately 20,000 cubic meters of water daily. A total of 175 km of roads will be paved in areas of new construction. Approximately 400,000 housing units will be constructed in Sinai, the New valley, the Red Sea, and the High Dam Lake area.

In areas where there are new housing complexes, the government plan calls for completing public utility projects, primary and secondary roads, electricity networks, and the first phase of basic services in the cities of 10 Ramadan, 6 October, Al-Sadat, Al-'Amriyah, Damietta Port, and 15 May.

In the housing sector, 170,000 units will be built or completed. These are divided into 124,600 low-income units, or 73.3 percent of the whole; 40,400 medium-income units, or 23.8 percent; and 5,000 upper-income housing units, or nearly 3 percent. A total of 189 million pounds has been alloted for cement companies and 25 million pounds for other construction companies, including those supplying substitutes for red brick, plaster, and concrete piping, to ensure that they will be able to complete their current projects and carry out replacement and renovation activities. As I have already noted, the goal is to achieve a cement output of 12.2 million tons, an increase of 2.2 million tons over the previous year.

With regard to financing external trade, approximately 98 million pounds have been allocated to this sector's projects to maintain existing production capabilities. In addition, the cylindrical mills at the North Cairo Mills Company will be built, and projects pertaining to rice-packing will be implemented with the goal of providing consumers with suitable packaging and reducing production waste. The industrial complex in 10 Ramadan City will be completed to package foodstuffs in containers suitable to various types of consumers.

As for public utilities, the production of potable water will increase from 8.6 million to 9.3 million cubic meters daily. Some sewage networks under construction in Nasr City, 'Ayn Shams, Shubra al-Khaymah, Alexandria, and 17 other cities in various provinces will be completed. Other current projects will be completed and important projects in the governorates will be started, such as purifying the sewage network on the Nile's western and eastern banks, the Hulwan sewage system, purifying the Al-Ra's al-Sawda' and Sammuhah-Alexandria networks, and establishing sewage system projects in 13 cities in other governorates.

In the social services sector, and specifically regarding general education, we intend, God willing, to add 12,253 new classrooms and to accept 2,604,200 students, the latter figure representing an increase of 4.8 percent over last year. We also anticipate accepting approximately 137,900 students at the universities and other institutions of higher learning, while preparing 700 new graduates to provide a full complement for the teaching staffs at the universities. We also intend to complete educational facilities and hospitals and to increase the rate of acceptance at Al-Azhar institutions of all levels.

In the field of preventive medicine, we intend to establish 20 new health offices and to improve health environment centers. As for basic health care, we intend to establish 5 nurseries, 20 rural health units, and 10 school clinics. We also intend to complete the construction of seven general and central hospitals and to build seven other hospitals, in addition to expanding medicinal production to improve the medical treatment services.

In the cultural field, we intend to build an Egyptian cultural center, an opera house, and a modern arts museum, as well as a cultural information center on the Al-Zajirah fair grounds. Work will commence on the construction of a cultural garden, which will be a center for children. Moreover, several theaters, palaces of culture, and technical institutes in Cairo and the governorates will be modernized and renovated.

In the field of information, we intend to build eight information centers, five children's clubs, and four other information centers, and to modernize and renovate some information offices abroad. We also intend to complete the construction of a booster station [mahattat al-tashkil al-taraddudi] in Al-Mahallah and a television station in Al-'Alamayn.

In the field of social care, we intend to complete the construction of 24 social units, 15 vocational training centers, 7 cottage industry training centers, 2 children and family care centers, and 26 social observation centers.

With respect to our youth, we intend to complete the construction of 3 youth camps, 27 urban youth centers, 300 youth centers in rural areas, 89 sport clubs in the governorates, 13 swimming pools, and 2 gymnasiums.

The last point of the statement deals with foreign policy. Egypt's foreign policy seeks to achieve the following main objectives: to provide maximum protection for national security, to realize Arab solidarity and defend Arab issues, and to make economic development one of Egyptian diplomacy's primary aims.

With respect to Egypt's policy toward Arab issues, the government maintains a firm position in defending the Palestinian issue with a view to safeguarding the Palestinian people's legitimate rights. Egypt continues to exert efforts with the parties that have influence with regard to the Middle East issue in order to activate the peace efforts, safeguard the Palestinian people's rights, and ensure Israel's withdrawal from all the Arab territories occupied since June 1967.

Egypt has embraced the call for convening an international conference on Middle East peace. Egypt supports Iraq in its legitimate efforts to defend itself following Iran's rejection of peace.

Egypt also supports the Gulf states against any Iranian threat. Egypt also has called upon the United States to restore creditibility to its policy in the Arab region.

As regards Lebanon, Egypt has appealed to all to keep their hands off that country and to halt all foreign interference. Egypt denounces the painful events taking place in Lebanon, particularly the assassination of Prime Minister Rashid Karami.

A clear improvement has taken place in Egypt's relations with Arab states. Egypt's ties with fraternal Jordan are deep-rooted. The joint higher Egyptian-Jordanian committee recently convened under the chairmanship of both countries' prime ministers. The committee's meetings culminated in the conclusion of various agreements and projects which strengthen Egyptian-Jordanian cooperation.

Egypt pays particular attention to its relations with Sudan. Officials in both countries have exchanged several visits, highlighted by Sudanese Prime Minister al-Sadiq al-Mahdi's trip to Egypt. The charter of fraternity between Egypt and Sudan was signed during this visit.

Furthermore, Egypt's relations with the Kingdom of Saudi Arabia, Kuwait, the Gulf states in general, Djibouti, Morocco, Tunisia, Algeria, and the YAR are constantly improving.

Egypt has always maintained its place and position in the heart of the Islamic World. Its return to the ICO and President Muhammad Husni Mubarak's positive participation [applause] in the activities of the recent Islamic summit in Kuwait were an expression of the importance of Egypt's role and its weight in building Islamic solidarity.

Egyptian diplomacy is exerting special efforts to bolster relations with the African states in general and with the Nile Basin states in particular. Within this context, the conference of the OAU summit office staff recently convened in Cairo, and the Ethiopian president paid an official visit to Egypt. In addition, several joint committees held sessions to boost and develop Egypt's relations with Africa.

There have been numerous contacts between Egypt and the United States recently to discuss bilateral relations and the efforts being made to achieve a comprehensive settlement in the Middle East. There are also ongoing consultations with the United States to reach a satisfactory agreement over the rescheduling of Egypt's military debts to that country.

Egypt's relations with Western Europe and the EC are particularly important. The president's numerous recent visits to these countries and the diplomatic efforts being made have effectively broadened and developed our relations with them at the political and economic levels. The EC issued a statement on 23 February for the first time supporting the notion of holding an international conference on peace in the Middle East under UN auspices. The EC has also recently increased its aid to Egypt in appreciation of Egypt's role in the region and its striving for world peace.

We maintain cordial relations with the Soviet Union and other East European countries. These relations are based on friendship, mutual respect, and cooperation in accordance with our interests and the interests of other nations. These relations are conducted within the framework of nonaligned principles upon which our diplomacy is firmly based. It is within this framework that visits have been exchanged between a large number of officials from Egypt and these countries. A protocol for rescheduling Egyptian debts to the Soviet Union was signed during the visit by the minister of economy and foreign trade to the Soviet Union last March. This is one of the most important achievements of these visits. A protocol on trade exchange is to be signed by Egypt and the Soviet Union during the next few months.

There has been a favorable development in Egyptian-Israeli relations since the arbitral compromis for Tabah was signed in September 1986 and in the wake of two visits by Shim'on Peres to Egypt, during which he supported the convocation of an international conference on peace in the middle East. Egyptian-Israeli contacts to stimulate peace efforts and promote recognition of the Palestinian people's legitimate rights continue. At the same time, Egypt reiterates its continued opposition to Israeli repressive measures in the occupied territories. Egypt also denounces Israeli bombing of Palestinian camps in Lebanon. [applause]

Egyptian-Asian relations have witnessed a number of developments which have bolstered these ties. A number of officials have visited these countries, and some agreements on scientific, technical, and economic cooperation have been signed recently with them.

Speaker of the People's Assembly, brothers and sisters, members of the esteemed Assembly: As we all know, we have been destined to face many socioeconomic problems. It is, therefore, incumbent upon us to either eliminate these problems or to curb their repercussions. However, I would like to reiterate that such problems are not incurable. Solutions are possible and the components of these solutions are abundant. Nothing is impossible, praise be to God.

Cherished Egypt has enough human and material resources to surpass the obstacles and to forge ahead toward realizing its aspirations — development and prosperity. What makes us more assured and confident that we can overcome these difficulties is the people's sense of national responsibility and their belief that the painstaking serious work to increase production is the sole key to achieve their present and future aspirations.

Aware of its huge responsibility and enormous duty to achieve the people's aspirations and to resolve their problems in accordance with specific timetables, the government endeavors to do its utmost to honor its responsibilities with all integrity, sincerity, and honesty in cooperation with all the national forces. No matter how many efforts the government undertakes, it will never be able to shoulder the burden of national work alone without the participation and support of both the majority and opposition in this esteemed Assembly, nor will we realize the process of development and construction without the participation of the various sects and factions of the people.

The future is replete with hopes, and together we must convert these hopes into realities through serious work. We have absolute faith in God Almighty, and we have absolute confidence in the people and their representatives, both majority and opposition. The government covets your support for and cooperation in performing our responsibilities. We implore God Almighty to grant us all success in serving cherished Egypt and its great people. In the name of God, the merciful, the compassionate, we say: Work righteousness; soon God will observe your work, and his apsotle, and the believers. [Koranic verse]. May God's peace and mercy be upon you. [applause]

Commentary Urges Firm Handling of 'Power Seekers'

NC071554 Cairo Domestic Service in Arabic
1240 GMT 7 Jun 87

[Bahiy al-Din Shu'ayb commentary: "Bubbles of Terrorism Will Not Shake Our Solid Internal Stability"]

[Text] The government policy statement, which Prime Minister Dr 'Atif Sidqi delivered before the People's Assembly, points out that production cannot be increased except in an atmosphere of law and order, firmly protected by the state. The government, Dr Sidqi said, will deal firmly with any violations of law and order.

This view, as expressed in the government statement, can be seen in a broader light if we consider the following four facts:

The first is that we should exert every possible effort to increase production. This is the only way we can break free from the suffocating economic crisis felt by everyone in this country. We must not forget that our gross national product is disproportionately small when compared with our national potential or our population. We are still living on the narrow strip of land bordering the Nile and have thus far not made many inroads into the desert.

Furthermore, we are still heavily dependent on unconventional forms of income, such as tourism, Suez Canal revenues, and oil, which have little strategic value. We have so far overlooked the need to diversify our economy and to establish an industrial and agricultural base capable of meeting the needs of the local market, as well as those of readily-accessible markets in the Arab world and Africa.

The second fact is that, since 1981 and throughout the first 5-year plan, the state was trying to redefine its priorities for the modernization of Egyptian industry. The loans obtained by Egypt during this time were aimed at increasing the volume of investment to cope with the requirements of the overdue modernization. If the full impact of this effort has not been seen yet, this is because many of these loans were used to finance an infrastructure which, after 30 years of neglect, had to be overhauled before modern industries could be started.

The third fact is that the ongoing development efforts are taking place in a healthy democratic atmosphere. In the past, the lack of opposition in our society crippled a considerable part of our productive potential. The burgeoning democracy has released the productive efforts of the private sector. For some time, however,

the private sector's urge to make quick profits tarnished its performance. This is no longer true today. Business has picked up speed and honest citizens have begun to play their role in increasing the efficiency of the economy and its ability to export.

The fourth fact is that the wider application of democracy and the removal of restrictions on the freedom of opinion and thought have, alas, given rise to some symptoms of intellectual and political chaos. Just as the open-door economic policy brought greedy businessmen onto the economic scene, people who wanted to make quick profits at the expense of the consumer, open-door democratic policies have brought into the political arena all sorts of unscrupulous power seekers who will not balk at any means of achieving their goals, including the use of violence and terror.

The state has never considered reverting to a close-door policy in the economic sphere despite the parasitic activities, the national consequences of which some people have tried to exaggerate. Similarly, the state will not contemplate retreat from democracy on account of some unscrupulous power seekers.

Those who seek to impose their opinions by physical liquidation or to settle their accounts with bullets will be dealt with firmly by a democracy that will not be shaken by terrorism or intimidated by loud voices. Democracy must be protected by strict laws enforced by the state. Internal stability should be defended by the power of the state against the foolhardiness of small-time power seekers.

Nasirite Socialists Questioned on Recent Attack

NC111930 Paris AFP in English 1828 GMT 11 Jun 87

[Text] Cairo, June 11 (AFP) — About 10 leading members of a new Egyptian party, the Nasirite Socialists, are being interrogated by police in connection with last month's attack here on three U.S. diplomats, left-wing sources said on Thursday.

Two of the diplomats were slightly wounded. The Nasirites, led by Farid 'Abd al-Karim, are alleged to have been in contact with Syria, which is suspected of involvement in the shooting.

The suspects were detained under the emergency laws still in force since the slaying of President Anwar al-Sadat in October 1981. They include a number of journalists, and the Egyptian Press Union has called for their release.

The Nasirite Socialists, to be distinguished from the alliance of Marxists and leftist Nasirites under Khalid Muhyi al-Din in the Patriotic Progressive Unionist Rally, are seeking registration as a legal party.

Official Denies Suspect in Abu Basha Attack Dead

NC111614 Cairo MENA in Arabic 1555 GMT 11 Jun 87

[Text] Cairo, 11 Jun (MENA) — An Interior Ministry official has emphatically denied rumors circulating in the past few days that Faruq al-Sayyid, the prime suspect in the assassination attempt against former Interior Minister Hasan Abu Basha, has died in prison.

The official said that these rumors are baseless and affirmed that all detained suspects, including Al-Jihad organization members and others detained for other reasons, are in good health.

It should be noted that Faruq al-Sayyid's fingerprints were said to be identical to those found on a softdrink bottle at a kiosk near the scene of the attack on the night the incident took place last month.

Authorities Release 28 Sudanese Nationals

JN111049 Khartoum SUNA in English 1014 GMT 11 Jun 87

[Text] Khartoum, Jun 11 (SUNA) — Twenty-eight Sudanese citizens who had been arrested four weeks ago in Aswan, south Egypt, by Egyptian authorities were set free yesterday due to contacts conducted by Sudan's Embassy in Cairo with Egyptian officials, the daily *Al-Ayyam* reported here today.

The paper said those citizens were arrested after they had rioted and damaged the Aswan River port as protest because they did not find places on a ship to return to Sudan. Egyptian officials will not take any measures against them and they [were] allowed to return to Sudan, the paper noted.

Further Reportage on Brazilian Minister's Visit

Sodre Meets Sidqi, 'Abd al-Majid

NC111347 Cairo Domestic Service in Arabic 1230 GMT 11 Jun 87

[Text] Prime Minister 'Atif Sidqi received Brazilian Foreign Affairs Minister Roberto Sodre and his accompanying delegation today. Dr 'Ismat 'Abd al-Majid, deputy prime minister and foreign minister, also attended the meeting. During the discussion, ways of bolstering bilateral cooperation in various fields were examined in the wake of the formation of the joint Egyptian-Brazilian committee,which will hold its first session in Cairo in November.

Confers With Butrus Ghali

NC112133 Cairo Domestic Service in Arabic 2100 GMT 11 Jun 87

[Text] Butrus Ghali, minister of state for foreign affairs, met with the Brazilian foreign affairs minister today. They discussed bilateral relations and ways of promoting them in various fields. They also examined African issues and the Egyptian stands on them, matters related to promoting Latin American-African dialogue, and the topics to be discussed at the third dialogue session scheduled to be held in Mexico in August.

Joint Statement Issued

NC111619 Cairo MENA in Arabic 1320 GMT 11 Jun 87

[Text] Cairo, 11 Jun (MENA) — Egypt and Brazil have asserted that there is an urgent need to encourage efforts to attain a just

and comprehensive peaceful settlement in the Middle East. The two countries also emphasized the need to convene an international conference for peace in the region under UN auspices. The conference should be attended by all concerned parties to achieve a just and lasting peace in the region, based upon the realization of the Palestinian people's legitimate rights and securing the right of all countries in the region to live within secure and recognized borders.

The two countries also agreed on the indispensability of achieving a cease-fire between Iraq and Iran and having those two countries embark upon negotiations to resolve the conflict by peaceful means.

These assertions are contained in a joint statement issued today on the occasion of Brazilian Foreign Affairs Minister Roberto Sodre's visit to Egypt, which began 2 days ago, on Tuesday, and is due to conclude on Friday. The visit came in response to an invitation by Dr 'Ismat 'Abd al-Majid, deputy prime minister and foreign minister.

In their statement, Egypt and Brazil expressed the desire to create appropriate conditions for the withdrawal of all foreign forces from Lebanon and to reach a solution that would guarantee the rights, interests, and aspirations of all sectors of Lebanese society and preserve Lebanon's sovereignty, independence, and territorial integrity.

Both countries underlined their adherence to the goals and principles of the UN Charter and emphasized that their foreign policy is based upon enduring principles. Foremost of these principles are respect for the sovereignty of countries, the rights of people to self-determination, nonintervention in the internal affairs of other countries, respect for the independence and territorial integrity of all states, and the settlement of disputes by peaceful means.

With regard to the situation in Africa, the two countries strongly condemned apartheid and the illegitimate occupation of Namibia.

The two countries confirmed the need to attain a negotiated settlement of the Central American crisis and the importance of the efforts being made by the Contadora group and the group supporting it, which includes Brazil, to achieve peace in that region.

The text of the joint statement follows:

Brazilian Foreign Minister Roberto Sodre paid an official visit to the Arab Republic of Egypt from 9 to 12 June 1987 at the invitation of Dr 'Ismat 'Abd al-Majid, deputy prime minister and foreign minister.

The foreign minister of Brazil handed the deputy prime minister and foreign minister a written message from His Excellency Jose Sarney, the president of the Federal Republic of Brazil, for President Muhammad Husni Mubarak. Among other things, the message included a formal invitation to the president to visit Brazil, which the president accepted.

Prime Minister Dr 'Atif Sidqi received the Brazilian foreign minister, as did Dr Kamal al-Janzuri, deputy prime minister and minister of planning and international cooperation; Dr Yusuf Wali, deputy prime minister and minister of agriculture and land reform; Dr Butrus Ghali, minister of state for foreign affairs; and Lieutenant General Ibrahim al-'Urabi, chief of staff of the Egyptian Armed Forces.

The talks between Minister Roberto Sodre and Dr 'Ismat 'Abd al-Majid were held in an atmosphere of cordiality, brotherhood, and understanding, which characterizes Brazilian-Egyptian relations. The two sides reviewed and discussed international political and economic issues, as well as bilateral relations and ways to strengthen them to the benefit of both countries.

The two ministers declared their governments' adherence to the goals and principles of the UN Charter. They also asserted that their foreign policies are based upon firm principles, foremost of which are respect for the sovereignty of states, the right of peoples to self-determination, noninterference in the internal affairs of other countries, respect for the independence and territorial integrity of states, and settlement of disputes by peaceful means.

Reviewing the international political situation, the two sides expressed their profound interest in matters that threaten international peace and security, concentrating on areas of existing tensions and conflicts.

The two sides discussed the Middle East situation and agreed on the urgent need to promote efforts to find a just and comprehensive peaceful solution in the area. They stressed the importance of convening an international conference for peace in the Middle East under UN auspices and with the participation of all the parties concerned to achieve a just and lasting peace in the area, based upon the recognition of the Palestinian people's legitimate rights and the right of all states in the area to live within secure and recognized borders, in accordance with UN Security Council Resolutions 242 and 338.

Regarding the Gulf war, the two sides agreed on the importance of achieving a cease-fire between Iraq and Iran and the start of negotiations between them to settle the crisis peacefully. Discussing the situation in Lebanon, the two ministers expressed their wish to bring about suitable conditions for the withdrawal of all foreign forces and a solution that ensures the rights, interests, and hopes of all sections of Lebanese society and that safeguards Lebanon's sovereignty, independence, and territorial integrity.

Concerning the situation in Africa, the two sides strongly condemned apartheid and the illegitimate occupation of Namibia and called upon the UN Security Council to impose economic sanctions against the South African racist regime. They also expressed total support for the Namibian people's legitimate rights, including their right to achieve independence and territorial integrity under SWAPO's leadership.

On the Central American issue, the views of the two countries were identical with regard to the need to attain a negotiated settlement. They noted the important efforts exerted by the Contadora group and the group supporting it, which includes Brazil, to achieve peace in that region.

The two sides asserted the importance of UN General Assembly Resolution 41/11, which declares the South Atlantic a region of peace and cooperation. They also asserted the importance of Resolution 41/48, which urges all concerned parties to seriously consider adopting the required prompt and serious measures to set up a nuclear free zone in the Middle East. They referred to Resolution 41/89,which deals with promoting security and cooperation in the Mediterranean. Both sides emphasized their belief that these resolutions are important steps toward attaining international goals of peace, cooperation, security, and disarmament.

The two sides also analyzed the serious international economic crisis, which is harming developing countries by preventing the attainment of their aspirations. It is causing their peoples' living conditions to deteriorate, and consequently threatens their future. The two ministers agreed on the need to change the method of international dialogue and cooperation by reforming the current international financial and trade structure and by creating a new international economic system that provides justice. They affirmed the important role played by the Group of 77 in this respect and agreed on the need to increase efforts to promote South-South cooperation.

There was also an exchange of views regarding the negative effects foreign debts have on the nonindustrial countries' economic development plans and the two countries' experiences in dealing with this issue. The two sides asserted the need to support cooperation and coordination among Third World countries in this respect.

On the issue of bilateral relations, the two countries expressed a mutual desire to bolster and increase cooperation in the political, economic, cultural, technical, and scientific fields according to both countries' capabilities. In this connection, the two foreign ministers exchanged ratification documents of an agreement to set up a joint Egyptian-Brazilian committee and agreed that this committee would meet in Cairo in November.

They also agreed on expediting the implementation of existing bilateral agreements and on increasing political contacts between the two governments on all levels.

Brazilian Foreign Minister Roberto Sodre extended an invitation to Dr 'Ismat 'Abd al-Majid to visit Brazil, which his excellency accepted.

Brazilian Foreign Minister Roberto Sodre expressed his thanks to Dr 'Ismat 'Abd al-Majid, deputy prime minister and foreign minister, for the warm welcome and hospitality the Egyptian Government and people accorded him and the delegation that accompanied him on his visit.

Sodre Concludes Visit, Departs

NC120758 Cairo Domestic Service in Arabic 0700 GMT 12 Jun 87

[Text] The Brazilian minister of foreign affairs left Cairo this morning. During his 3-day stay, the Brazilian official met with President Muhammad Husni Mubarak and Prime Minister Dr 'Atif Sidqi. He also held talks with Dr 'Ismat 'Abd al-Majid, deputy prime minister and foreign minister, on international issues of common concern, as well as bilateral relations. The two foreign ministers agreed on the need for a UN-sponsored international conference for Middle East peace in which all the parties concerned would take part. They also agreed on the need for an end to the Gulf war, the withdrawal of all foreign troops from Lebanon, and a negotiated settlement of disputes in Central America.

Foreign Minister Meets GDR, Kuwaiti Officials

NC111428 Cairo MENA in Arabic 1350 GMT 11 Jun 87

[Excerpt] Cairo, 11 Jun (MENA) — Dr 'Ismat 'Abd al-Majid, deputy prime minister and foreign minister, met with Horst Soelle, GDR Council of Ministers deputy chairman for economic affairs, and his accompanying delegation today. The GDR delegation is currently paying a visit to Cairo.

The discussion focused on prospects for bilateral cooperation in light of the work of the third joint Egyptian-German committee session currently meeting in Cairo.

Dr 'Abd al-Majid expressed satisfaction with the growth in bilateral relations, particularly in the fields of industrial cooperation and vocational training.

Dr 'Abd al-Majid also met with Kuwaiti Development Fund Chairman Badr al-Humaydi, who is presently visiting Cairo.

The meeting, which also was attended by 'Abd al-Razzqa al-Kandari, head of the Kuwaiti interests mission in Cairo, examined the various areas of bilateral cooperation, particularly the role played by the Kuwaiti fund in development projects in Egypt. [passage omitted]

Protocol Signed With GDR

NC111837 Cairo MENA in English 1522 GMT 11 Jun 87

[Text] Cairo, June 11 (MENA) — Egypt and East Germany signed today a new protocol of economic and technical cooperation whereby East Germany is to extend to Egypt economic facilities of about a hundred million dollars to be earmarked for the partial finance of a number of projects in domains of industry, electricity, agriculture, housing and supply.

The protocol signing concluded three days of meetings between the two sides under Deputy Premier and Minister of [Planning and] International Cooperation Dr. Kamal al-Janzuri and the visiting East German deputy premier for economic affairs, within the context of the third session of the two countries' joint committee on economic and technical cooperation.

The meetings centred on cooperation in the implementation of some projects of the Egyptian five-year economic plan.

Sidqi, Zairian Official Discuss Cooperation

NC111733 Cairo Domestic Service in Arabic 1500 GMT 11 Jun 87

[Text] Today, Prime Minister Dr 'Atif Sidqi received in his office the Zairian state commissioner for mines and energy, who is currently visiting Cairo. They discussed means of boosting bilateral cooperation in the field of energy and electricity, as well as the project to link the two countries' electricity grids. Minister of Electricity and Energy Mahir Abazah also attended the meeting.

Ghali, African Ministers Discuss Bilateral Ties

NC111409 Cairo MENA in Arabic 1255 GMT 11 Jun 87

[Excerpt] Cairo, 11 Jun (MENA) — Butrus Ghali, minister of state for foreign affairs, today met with Ileo Itambale, Zairian state commissioner for mines and energy, who is currently visiting Cairo.

During the meeting, they discussed ways of promoting bilateral cooperation in the economic and technical fields in addition to exploiting water resources. The two officials also acknowledged the need to discuss the establishment of joint energy projects.

The Zairian official praised the excellent relations between Egypt and Zaire and the role played by the Egyptian experts dispatched by the Egyptian Fund for Technical Cooperation with African Countries for the sake of promoting economic and social development in his country.

Dr Butrus Ghali also met with Burundian Finance Minister Isaac Budi Boda [name as received], who is visiting Cairo to attend the African Development Bank meetings.

During their discussion, they examined ways of promoting bilateral economic and trade cooperation. The officials also reviewed Egypt's efforts to promote regional cooperation in Africa and the role of the Egyptian Fund for Cooperation with African Countries in providing Egyptian expertise to aid development in Africa. [passage omitted]

Ghali Meets Seychelles Minister

NC111436 Cairo MENA in Arabic 1340 GMT 11 Jun 87

[Text] Cairo, 11 Jun (MENA) — Butrus Ghali, minister of state for foreign affairs, held a round of official talks with Seychelles Minister of External Affairs Mrs Disan George [name as received], who is currently in Cairo to participate in African Development Bank meetings. Discussion dealt with ways to strengthen existing bilateral cooperation and to coordinate their positions on important African issues that will be discussed at the 23d OAU summit meeting scheduled to convene in Addis Ababa in July.

FRG Economic Official Departs After 4-Day Visit

NC111717 Cairo MENA in English 1531 GMT 11 Jun 87

[Text] Cairo, 11 Jun (MENA) — Parliamentary deputy at the Federal Republic of Germany's Ministry of Economy today left here for home after a 4-day visit.

The German official represented his country in the meetings of the African Development Bank.

The German official had talks with each of Deputy Premier and Minister of International Cooperation and Planning Dr Kamal al-Janzuri and Minister of Administrative Development Dr 'Atif 'Ubayd.

Beirut Radio Says 'Great Number' of Weapons Missing

NC120645 Beirut Domestic Service in Arabic 0430 GMT 12 Jun 87

[Text] According to well-informed sources in Cairo, the General Command of the Egyptian Armed Forces has ordered tighter security measures at all munitions and weapons dumps after a great number of weapons mysteriously disappeared.

In another development, Egyptian attorneys yesterday requested the release of those detained in connection with the investigations into the three recent political assassination attempts in Egypt. The lawyers cast doubts on the number given by the government for those in custody; namely, 500.

Anniversary of Evacuation Day Celebrated

Liberation Front Head Arrives

LD101945 Tripoli JANA in Arabic 1645 GMT 10 Jun 87

[Excerpt] Tripoli, 10 Jun (JANA) — Today at noon, Brother Ya'qub Tal'at, secretary general of the Palestinian National Liberation Organization [as heard], arrived in Tripoli on a visit to the Great Jamahiriyah. [passage omitted]

Al-Qadhdhafi Opens Factory

LD102115 Tripoli Television Service in Arabic 1930 GMT 10 Jun 87

[Excerpts] The brother leader of the revolution today inaugurated an ethylene factory, the largest one in the Ra's al-Unuf petrochemical complex. The brother leader of the revolution also laid the cornerstone for this enterprise's auxiliary factories. [passage omitted]

The inauguration ceremony was attended by Staff Major 'Abd al-Salam Ahmad Jallud; Shaykh 'Ali Musallam, personel envoy of King Fahd; Lieutenant Colonel 'Abdullah Husayn al-Bishr, YAR chief of staff; members of the General People's Congress secretariat; the secretary and members of the General People's Committee; secretaries of municipalities and people's committees; and the heads of the diplomatic missions accredited to the Great Jamahiriyah.

Palestinian Front Attends

LD112157 Tripoli JANA in Arabic 1948 GMT 11 Jun 87

[Text] Tripoli, 11 Jun (JANA) — This afternoon, Brother Abu Musa [Sa'id Musa Muragha] and his accompanying delegation arrived in Tripoli for the Libyan Arab people's celebration of the 17th anniversary of evacuation day, the day when the colonialist U.S. forces and their military bases were withdrawn from Libyan Arab territory.

On his arrival at Tripoli International Airport, Brother Abu Musa made a statement to JANA's correspondent. He saluted the great Al-Fatih Revolution, its leader Colonel Mu'ammar al-Qadhdhafi, and the Libyan Arab people on this prominent historical occasion to mark the closure of U.S. bases in the land of free Libya.

He praised the Great Jamahiriyah's leading role in supporting the causes of freedom, liberation, and struggle to fulfill the Arab nation's aspirations for freedom, unity, and progress.

He stated that the Great Jamahiriyah has established the foundations of the new Jamahiri regime. This regime does not fear imperialism and its aggressive schemes against the Arab nation and its progressive aspirations.

Delegations, Diplomats Greeted

LD112201 Tripoli Voice of Greater Arab Homeland in Arabic 2015 GMT 11 June

[Text] This evening at Ra's al-Unuf, the brother leader of the revolution received Brother Abu Musa [Sa'id Musa Muragha] and his accompanying delegation; Abba Said, a leader of Frolinat and commander of the Chadian 1st Army's Supreme Council; Mahamat Issa Idriss from FAP [Chadian organization Forces Armees Populaires]; a delegation from the cultural movement of Greece; (?Mahamat Yolah, member of the Gongola state council in Nigeria); and the heads of diplomatic missions accredited to the Great Jamahiriyah.

The brother leader of the revolution also received Pogos Akopov, the Soviet ambassador to the Great Jamahiriyah.

YAR Chief of Staff Received

JN111948 Sanaa Domestic Service in Arabic 1700 GMT 11 Jun 87

[Text] Colonel Mu'ammar al-Qadhdhafi, leader of Libya's 1 September Revolution, received Brother Lieutenant Colonel 'Abdallah al-Bashiri, YAR chief of staff and member of the Standing Committee, and his delegation last night in Tripoli. They conveyed a message from Brother Colonel 'Ali 'Abdallah Salih, president of the Republic, commander in chief of the Armed Forces, and secretary general of the General People's Congress. This message concerned relations between the two fraternal peoples, methods of enhancing cordial ties of struggle between the Yemeni and Libyan revolutions, and issues of mutual concern.

Our nation's delegation, headed by the brother chief of staff, participated in the Libyan Jamahiriyah's celebration of the evacuation of foreign forces from the Arab Libyan land.

YAR Delegation Departs 11 Jun

LD120954 Tripoli JANA in English 0814 GMT 12 Jun 87

[Text] Tripoli, Al-Sayf [June] 12, *Jamahiriyah News Agency* — The military delegation from North Yemen headed by 'Abdallah Husayn al-Bashir left Tripoli yesterday afternoon at the end of a visit to Great Jamahiriyah.

The head of the delegation gave a statement to JANA's envoy before his departure from Tripoli International Airport. He said: "My and my accompanying delegation's visit was successful as all the mutual visits made between our two sisterly countries. I have met the leader of the revolution and handed him a written letter from his brother Colonel 'Ali 'Abdallah Salih the president of the Republic and the supreme commander and the secretary-general of the General People's Congress. We were pleased to attend the people's celebrations of the 17th anniversary of the expulsion of U.S. forces. We also took part in the opening of the grand industrial establishment in Ra's al-Unuf which is a source of pride not only to the Libyan people but to the Arab nation as well. So, our impressions are very excellent

due to what progress and development we witnessed for the benefit of the Arab masses".

'World Forum' Statement on Evacuation Day

LD110937 Tripoli JANA in English 0809 GMT 11 Jun 87

["Statement From the World Forum for Resisting Imperialism, Zionism, Racism, Reaction, and Fascism on the 17th Anniversary of Expelling U.S. Military Forces and Bases" — JANA headline; allquotation marks as received]

[Text] Tripoli, Al-Sayf [June] 11, *Jamahiriyah News Agency* — The World Forum for Resisting Imperialism, Zionism, Racism, Reaction and Fascism confirmed that the revolutionary fierce battles of the great Al-Fatih Revolution — the command of world revolution — had fought since it was launched on the first of Al-Fatih month 1969, are a declaration of the launching of true resistance, and defiance to imperialism, Zionism and reaction. They are the beginning of the total confrontation against the imperialist powers in various continents of the world for the purpose of ending the armed imperialist presence from the lands of the small nations. And to end the domination of imperialism and its stooges in various spots of the world. [sentence as received]

The statement went on to say:

"This feast is for all the revolutionary and progressive forces, for liberation movements, for the world revolutionary committees' movements, for peace movements and the alternative to what they represent of the declining operations of encircling by the imperialist powers against the peaceful nations on land on sea and in the air, aiming by that to shake their security and stability, and tighten the imperialist grip on them.

"What battles the progressive forces are fighting in the world to confront U.S. military arrogance, military presence and direct colonisation are evidence that the imperial era of oppression and power madness has gone and the era of peoples has arrived and that the liberty sun will never set.

The battle and confrontation fields in Palestine, Lebanon, Nicaragua, Chad, South Africa, Ocean Islands and the Caribbean are the focal spots for raging world revolution to bring down the imperialist colonialist crumbling structure and that the blows of the revolutionaries in the world are aimed at the various sources and the tools of U.S. imperialist terror which threaten actively world peace and security it even predict a start of a destructive world war that will destroy human civilisation and mankind presence over the earth. [sentence as received]

"The revolutionary forces that form the world forum, as they express their pride of this victory which has been achieved, thanks to the great Al-Fatih Revolution and its leader the internationalist leader Mu'ammar al-Qadhdhafi, asserts its determination to continue collective struggle against all forms of imperialist presence and military domination in the world — military bases, missile deployment and nuclear tests — in the belief that peoples' freedom and dreams of achieving world peace and security will never be realised except by ending the imperialist military arrogance, the power madness and the policy of battleships which have become the obvious mark of the official and organised terror of the U.S. Administration and its NATO and racist allies.

"Inevitably the will of nations will be victorious"

"Forward... The revolutionary struggle continues"

Saudi King Fahd's Envoy Departs 10 Jun

LD110904 Tripoli JANA in Arabic 0812 GMT 11 Jun 87

[Text] Tripoli, 11 Jun (JANA) — Shaykh 'Ali Musallam, the personal envoy of Saudi King Fahd, departed Tripoli yesterday following a visit to the Great Jamahiriyah.

SAPCO MP Zizi Rejects Al-Mahdi Statement

JN110545 Khartoum SUNA in Arabic 1745 GMT 10 Jun 87

[Text] Khartoum, 10 Jun (SUNA) — Pawlinu Zizi, a Sudanese African People's Congress Organization [SAPCO] MP has commented on the prime minister's statement to the Constituent Assembly this morning. Zizi said the prime minister seeks to divide the country into provinces governed by different laws, and asserted that SAPCO does not agree with this idea. MP Zizi told SUNA: If the prime minister is talking about alternatives to the September laws, then this means there will be no peace. He said that the Islamic laws were behind the rebel activities and added: We southerners prefer secession to what may transpire. This was in reference to the secular laws of 1974.

DUP MP Criticizes Statement

JN110552 Khartoum SUNA in Arabic 1750 GMT 10 Jun 87

[Text] Khartoum, 10 Jun (SUNA) — Muhammad Yusuf Abu Harrirah, MP for the Democratic Unionist Party [DUP] and former minister of trade, criticized Prime Minister al-Madhi's statement, saying it is nothing new or different from what he said last year when nothing was accomplished. Abu Haririah added that although he is now in the DUP's parliamentary group, he will continue to hold the views he held when in the cabinet.

Sa'd al-Fatih [name as received], member of the Islamic National Front, commented on the speech by noting that the prime minister had said nothing new about alleviating the citizens' sufferings. He added: What was mentioned in the speech does not reflect reality, especially with regard to the situation related to southern Sudan. He also criticized Al-Mahdi's attack on the press and described this attack as unrealistic and disappointing. In his overall assessment of the speech, Al-Fatih said adherence to an Islamic course of action was one of its positive aspects.

SPLA on Government Efforts to Recapture Jokau

LD111708 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 11 Jun 87

[Text] A reliable source in Upper Nile has informed Radio SPLA that the brigade commanded by Colonel Peter (Amwum), which was supposed to recapture Pibor but was recalled from Akobo to Bor and rescue Jokau [as received], has finally reached (Korflus) after sustaining heavy casualties in men and materials both when they were going and returning from Akobo. This brigade has been ordered by General HQ Khartoum and HQ Malakal to proceed to recapture Jokau.

According to the source, the men of the brigade have said that if the officer in charge of Malakal or Al-Sadiq al-Mahdi, the minister of defense, want to recapture Jokau, they themselves should come to lead the operation. The source quoted the men of the brigade as saying that the Jokau operation was commanded by Col Dr John Garang de Mabior himself and that Al-Sadiq al-Mahdi should come to command the recapture of Jokau.

Malakal Army Mutiny Reported

EA111709 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 11 Jun 87

[Text] Reports reaching Radio SPLA from Malakal say Army officers from the rank of lieutenant colonel down mutinied on 7 June 1987 in Malakal town and prevented the Chief of Staff of the Sudanese Army from going back to Khartoum. The chief of staff was in Malakal on a visit. The mutineers, according to the report, have informed the General Headquarters that they are not going to take any orders from Khartoum or from their senior officers, and that they are not going to carry out any of their duties from that date on.

As a consequence, the sources say, Sadiq al-Mahdi has sent a telegram telling the mutineers that he has relieved the chief of staff from his duties and that the mutineers should go back to work. In the same telegram Sadid al-Mahdi promised to visit Malakal after seeing off the African leaders presently attending the conference in Khartoum. Meantime, Sadiq al-Mahdi is sending his security advisor, Col 'Abd al-Rahman Farah and Lieutenant General Yusuf Ahmad, both retired, with other elders as an advance party, the sources concluded.

Commenting on this development, a high-ranking SPLA source said that the SPLA Military High Command was considering sending a member of the high command to make contact with the rebel officers in Malakal with a view to reaching a limited cease-fire for Malakal town only so that these rebel officers settled their differences with Khartoum without an SPLA attack on the town. The high-ranking SPLA source advised the rebel army officers to fully realize that a mutiny in the Army is punishable by firing squad. They have detained the Chief of Staff of the Sudanese Army and they should not take this lightly. The SPLA is willing and ready to cooperate with the Malakal rebel officers and any others who may in future mutiny in other garrisons, and to discuss their plans with them to find ways and means of working together, the SPLA source concluded.

'Anti-SPLA' Radio Appeals for Constitution Unity

EA110913 Khartoum Anti-SPLA radio in English 1230 GMT 10 Jun 87

[Text] In the name of the Sudanese people; in the name of the Sudanese land; in the name of peace, progress, and prosperity to our people; in the name of all these, I, (Robert Chua Akol), we in A-2 [Anyanya-Two], are appealing to the Sudanese political parties. We in Anyanya-Two are appealing to the Sudanese Government. We in Anyanya-Two are appealing to the SPLA to join hands in the coming constitutional conference to bring about peace. The peace process and the constitutional conference are the key to the future of the Sudanese people. The future of the Sudanese people is the concern of all of us. The future of Sudanese prosperity is the concern of all of us — the man who lives [word indistinct] in the forest, the man in the countryside, the man in the city, the man outside the Sudan. It is our aim and the immediate aim that peace progress and the constitutional conference be realized as soon as possible.

There are enemies of peace inside the country. There are enemies of prosperity in the country. These enemies of peace, these enemies of progress, and these enemies of prosperity are being led by the SPLA. The SPLA-SPLM claims to be liberating the Sudanese people. Do you liberate people by stopping education? Education is the key to progress of the people. This key has been stopped by John Garang, and he claims that he is liberating the people. SPLA has stopped food to be produced by our people. Without food, hundreds of thousands of people have to [turn to] charity. If you cannot eat 1 day, 2 days, 3 days, are you capable of being something? Do you starve people to liberate them? Do you keep people to die of hunger because you will get liberation? Medical services have stopped. How many people in the Sudan, in the southern Sudan are dying of malaria, dysentery, bilharzia, and so many other diseases?

In the last half of the 20th century, the southern Sudanese are denied medical services. In the last half of the 20th century, the southern Sudanese are denied food. In the last half of the 20th century, the southern Sudanese are being denied education. In the last half of the 20th century, the southern Sudanese are being denied useful life. Who is to blame for the suffering of our people?

The great blame of our peoples' suffering goes to the SPLA in general. The great blame goes to John Garang. The blame of our suffering people goes to the SPLA leadership in the personality of William [name indistinct] who [words indistinct] and the rest of these pretentious officers. The pretentious politicians include such wicked man as [name indistinct]. This collection of wicked men has been chosen by John Garang de Mabior as his apostles. The apostles of SPLA are these (?horrid) men who do not have the survival of our people in heart. Let us get rid of misleading leadership, let us get rid of the Ethiopian influence. These leaders who are being used by the Ethiopian Government must be got rid of. Let us listen to the voice of peace. Let us listen to the voice of prosperity, progress, equality, and justice.

You do not ensure prosperity without sure solutions, [words indistinct]. You do not ensure equality without guarantees to provide equality. Education is one way to provide equality to our children. Develop good health is one way to equality. Justice is the product of hard work and maximum production. Let us address ourselves for higher ideals of peace and progress. Let us ask our brothers in the SPLA to stop war and join us in the way of peace.

The political situation inside the country is favorable for peace. All the political parties and the Sudan Government are ready for peaceful solution. Even the neighboring countries of Kenya, Egypt, Libya, and the rest [word indistinct] to peaceful solution for our problems. A week ago, Kenyan Government closed down the office of SPLA. SPLA is being discovered everywhere. Their [word indistinct] is being discovered everywhere. The discoveries are not to their advantage. They are being discovered as wicked men. They are discovered as misleading organization.

SPLA is being discovered as it was discovered about 3 weeks ago by [names indistinct] as a regressive and one-man organization; that Ethiopian influence [words indistinct] cannot be denied. Our people are armed to destroy the SPLA. Our people are armed. The Sudanese people, the Sudan Army, and all those who are being loved with peace [as heard] are armed to [word indistinct] SPLA. SPLA has been discovered everywhere. In the whole of Equatoria, the majority of the people are against SPLA. In the whole of Upper Nile, majority of SPLA people are running to Anyanya-Two. And in the whole of Bahr al-Ghazal [words indistinct] SPLA. And only time will show who is doing the right thing.

My dear brothers, the young people who are being misled by John Garang, who are being talked [words indistinct] by John Garang, who are being asked to be called comrades. You are never a comrade and you cannot be a socialist simply by calling you comrade, and you cannot be socialist by simply knowing the word [words indistinct]. And comrade are not enough [words indistinct] who want to convert you to be a socialist. John Garang himself does not know socialism. He is an American-educated [words indistinct] who knows too little about terrorism. He is a man mad about himself. He is more (?educated) than a socialist.

I ask you, I appeal to you, leave the wretched man who put up arms for the sake of fighting for justice, to put down arms and come back [passage indistinct] who took up arms to fight for equality, to come down and sit on the constitutional conference and talk to (?equality). You courageous men, who build up arms to fight for freedom, to come and sit on the constitutional conference and talk of freedom; war is not an end in itself, love for violence is not an end in itself. A complete love of violence will be reacted with a complete reaction for violence. We appeal to you, all of you, to stop violence. Come down and we talk. Come down and we do something. Come down and we brothers and sisters, let us agree, let us agree that one day we will be prospering. Let us agree that Sudan one day will be united, united on equal bases, united on prosperity.

KUWAIT

Government May Sign Defense Treaty With USSR

JN111154 Amman AKHBAR AL-USBU' in Arabic
11 Jun 87 p 15

[Excerpt] Kuwait — Diplomatic sources in Kuwait have expressed the belief that the State of Kuwait intends to sign a friendship and defense treaty with the Soviet Union — which will begin with the hiring of more ships from the Soviet Union to transport Kuwaiti oil from the Arab Gulf, thus avoiding Iranian attacks — if the U.S. Congress insists on refusing to hoist the U.S. flag on some Kuwaiti oil tankers. The United States earlier rejected a Kuwaiti request to buy antiaircraft Stinger missiles under pressure from the Zionist lobby in the United States.

The Soviet Union has expressed its readiness to ensure freedom of navigation for oil tankers in the Gulf and to provide Kuwait with any type of weapons it needs.

It is believed that the Venice summit resolution, which calls for ending the Gulf war, stemmed from Western countries' fears that Kuwait and the GCC countries would turn to the Soviets or seek their help in defense and protection. [passage omitted]

Columnist Urges Arab 'Strength' to Defend Gulf

JN101113 Kuwaiti AL-ANBA' in Arabic
7 Jun 87 pp 1, 24

[Article by 'Abdallah Ahmad Husayn: "Our Own Intrinsic Strength Comes First"]

[Text] Our confrontation with Iranian piracy confirms to us that we must rely on our own intrinsic strength to deter the pirates. When we say intrinsic strength we mean Kuwaiti intrinsic strength and Arab intrinsic strength. In view of its international difficulties, it appears that the United States is not capable of facing the situation seriously, and I do not believe Russia is able to do any better. Consequently, the two superpowers are totally paralyzed and it would be risky to rely on them in the face of threats that cannot be underestimated.

We can do something by deciding to resist and confront. However serious the possibilities may be, what is more serious is remaining dazed and incapable of acting and making a decision as though in a nightmare. However complex the situation, we can safeguard our country, our pan-Arab character, and our national dignity if we have the ability to make decisions at the appropriate time and implement them.

One of the reasons for our dizziness and hesitation is that we have not yet decided to act. Extraordinary circumstances are compelling us to make a difficult decision, and it would be a sign of weakness not to do so.

There is no substantive strength in such a historic dilemma other than local and Arab strength. If we were to leave our Gulf cocoon and take the view that the blockade imposed on Kuwait is a blockade imposed on the entire Arab nation, and that fighting Iraq is fighting the entire Arab nation, there would be no need to wait for the United States or Russia to confront the piracy when they are unable to do so since the matter is of no great concern to them.

We have the arms and we have determined men, but we need to make a firm decision and we need to implement such a decision. We said at the beginning of the war, 7 years ago, that the war will not end unless all Arabs are in the Iraqi trench and that the affliction will strike Arabs in the Gulf and in areas outside the Gulf. Now the affliction is striking Kuwait, Bahrain, Qatar, Saudi Arabia, and the UAE and is spreading to Egypt and Tunisia and we do not know what other part of the large Arab world is yet to be afflicted.

We must not become lost in fantasies and think of ourselves as mighty Samson. However, we would also be fantasizing if we were to believe the United States could defend the Gulf against Iranian piracy while we watch, and that such protection will be permanent and will be the way we want it, without us losing anything. It would also be foolish to believe the United States or any other party is motivated by chivalry in offering its protection.

Egypt said that it will not abandon Kuwait if it is exposed to danger. Egypt's splendid Arab stands during the era of the hero Jamal 'Abd al-Nasir are well known. I do not think Egypt is joking. Why do we not contact Egypt to arrange defense issues with it? This falls within the framework of the Collective Arab Defense Pact. So does Egypt's call. In the past, Kuwait sent troops to Arab Egypt and some Kuwaiti heroes were martyred. This is our duty and we do not mean to put Egypt under an obligation. Defending Egyptian territory is like defending Kuwait or Iraq.

Furthermore, despite its heroic confrontation with Iran, Iraq is capable of completing the confrontation line to include the entire Arab Gulf region. It will be able to effectively contribute toward defeating the enemies and teaching the pirates a lesson. Iraq proved this during its 7 years of confrontation with the aggressors. It does not harm us to have Iraq on our side in this fateful battle.

We must exploit the Arabs' own strength and prepare ourselves for the future possibilities the Iranian rulers are revealing through their words and their acts of piracy and aggression. We have to coordinate with the Arab brothers from this moment, in accordance with the Collective Arab Defense Pact. It is not necessary for all Arabs to honor this agreement. It is enough to have Egypt, Iraq, and the forces of the Peninsula shield formed by the GCC. This force will be capable of protecting the entire region against aggression. Early contacts and putting the Arabs' own resources in the field will reduce possible dangers which could befall us, whether we show our true faces or keep the masks some of us have been wearing to postpone the Arab-Iranian confrontation for a while.

We will be under an illusion if we hesitate or wait for U.S. and Soviet protection. We will end up unable to face possible surprises and eventualites. Enemies are threatening Kuwait every day and they aim at the Arabs — all Arabs.

Indications are that the superpowers will not do anything. Therefore, we must do something before our voices fall silent and our newspapers are closed.

Oil Minister Returns From OAPEC Meeting

LD110931 Kuwait KUNA in English 0800 GMT 11 Jun 87

[Text] Kuwait, June 11 (KUNA) — Kuwaiti Oil Minister Shaykh 'Ali al-Khalifah returned here last night after presiding over the bi-annual meeting of the Ministerial Council of the Organization of Arab Petroleum Exporting Countries (OAPEC) held in Damascus yesterday.

Shaykh 'Ali has stated following the conclusion of the 38 session of OAPEC Ministerial Council that the council decided to cut down the organization's budget for the next five years, but he declined to indicate the size of this cut.

He described the meeting as "excellent", during which the member states renewed their abidance to OAPEC's goals and programme.

Health Minister al-Awadi to Visit Moscow 9 Jun

LD082032 Kuwait KUNA in Arabic 1720 GMT 8 Jun 87

[Text] Kuwait, 8 Jun (KUNA) — Tomorrow, Kuwaiti Health Minister Dr 'Abd al-Rahman al-Awadi will begin a several-day visit to Moscow. In a statement made today, Dr al-Awadi said that this visit is to further cooperation and the exchange of experience between the two countries. Dr al-Awadi said he would acquaint himself with the capabilities available in the USSR and attempt to make use of some of the USSR's developed specializations. He denied that there is a joint venture for establishing health projects, but said there is an exchange of expertise in a number of fields. Kuwaiti Minister of Trade and Industry Faysal 'Abd al-Razzaq al-Khalid begins a several-day visit to the GDR on 10 June.

UAE

Oil Minister Denies Plan for U.S. Facilities

LD111120 Kuwait KUNA in English 0928 GMT 11 Jun 87

[Text] Kuwait, June 11 (KUNA) — Oil Minister of the United Arab Emirates Mani' ibn Sa'id al-'Utaybah reaffirmed Thursday that the Arabian Gulf is an international waterway and it is not anyone's property.

In a statement to daily *Al-Qabas* al-'Utaybah denied that his country intends to extend maritime facilities for the American naval units, currently stationed in the Gulf. Interviewed in Damascus, al-'Utaybah told the Kuwaiti daily the military presence in the international waters is a right for world countries but noting that "we will not allow any unit to enter the UAE territorial waters."

Al-'Utaybah ruled out the possibility that the Gulf Cooperation Council states will study alternative ports to export its oil from, if escalation in the Gulf continued. Commenting on Kuwait decision to reflag Kuwaiti tankers he said "Kuwait is an independent state and has full right to do what it deems necessary to protect its oil and trade."

YAR

Chief of Staff Returns From Visit to Libya

JN121237 Sanaa Domestic Service in Arabic 1200 GMT 12 Jun

[Text] Brother Lieutenant Colonel 'Abdallah al-Bashiri, chief of staff and member of the Standing Committee, and the delegation accompanying him returned to Sanaa from Tripoli this morning, after participating in the Libyan Arab Jamahiriyah's celebrations marking the anniversary of the evacuation of foreign forces from Libyan land. In a statement to SABA', Brother al-Bashiri said he is carrying a reply message from Brother Colonel Mu'ammar al-Qadhdhafi, leader of the 1 September Revolution in the Libyan Arab Jamahiriyah, to his brother Colonel 'Ali 'Abdallah Salih, president of the Republic, commander in chief of the Armed Forces, and secretary general of the General People's Congress.

Communications Minister Returns From Jordan

JN110657 Sanaa Domestic Service in Arabic 2000 GMT 10 Jun 87

[Text] Brother Ahmad al-Ansi, minister of communications and transportation and member of the Standing Committee, returned to Sanaa today after a 4-day visit to Jordan. During the visit he conveyed a message from Brother Colonel 'Ali 'Abdallah Salih, president of the Republic, commander in chief of the Armed Forces, and secretary general of the General People's Congress, to his brother King Husayn ibn Talal on bilateral relations and issues of common interest. In a statement to SABA', he said he is carrying a reply message from the Jordanian monarch to the brother president. He noted that during the visit he held talks with Jordanian Transportation Minister Muhyi al-Din al-Husayni on cooperation between the transportation ministries of the two fraternal countries.

Economic Delegation Departs for Talks in Jordan

JN121256 Sanaa Domestic Service in Arabic 1200 GMT 12 Jun 87

[Text] Our country's delegation headed by Brother Muhammad al-Khadim al-Wajih, minister of economy, supply, and trade, and member of the Standing Committee, has left for Amman to attend the meetings of the 47th session of the Arab Economic Unity Council, which will begin in Amman today. In a statement to SABA', the brother minister said the session will discuss Arab economic issues and the effects of international economic variables on Arab states' economies. He added: The session will also discuss a number of perceptions and proposals that seek to develop the activities of the Council, as well as the march of Arab economic integration.

Communique No 2,705 Details 10-11 Jun Combat

JN111643 Baghdad Voice of the Masses in Arabic 1600 GMT 11 Jun 87

[Communique No 2,705 issued by the Armed Forces General Command on 11 June 1987]

[Text] In the name of God, the merciful, the compassionate. Our triumphant Armed Forces inflicted further losses on the enemy in combat operations last night and today as follows:

1. Our units in the VI Army Corps sector east of Tigris directed effective artillery and mortar fire at enemy assembly areas located in front of their lines. They inflicted casualties and losses in equipment on the aggressors. They also destroyed an ammunition dump and two rafts with people aboard.

2. Our formation in the II Army Corps central sector silenced several sources of enemy fire, destroyed a machinegun emplacement and two infantry positions, and killed their personnel.

3. The Allahu Akbar Forces killed one scoundrel, destroyed a machinegun emplacement, and captured a quantity of weapons and equipment left behind by the enemy in the I Special Army Corps sector.

4. Two ammunition dumps were destroyed, several enemy soldiers were killed, and several enemy positions were set ablaze in the VII Army Corps sector.

5. Several Iranian military personnel sought refuge with one of our forward units at the front. The Iranians were safely evacuated to the rear lines.

6. To express its anger against our steadfast people — which is a sign of Iran's failure to confront our valiant forces on the battlefield — the tyrannical Khomeyniite clique used long-range artillery to shell residential areas in the cities of Basra and Al-'Uzayr and the village of Bishdar in the Al-Sulaymaniyah Governorate. The enemy shelling damaged civilian property and houses in Basra and Al-'Uzayr. One civilian was martyred and four others were wounded in Bishdar village. May God grant mercy to our martyrs and a swift recovery to our wounded, God willing.

[Signed] The Armed Forces General Command, 11 June 1987

Foreign Minister Departs for New York UN Talks

JN111201 Baghdad INA in Arabic 1145 GMT 11 Jun 87

[Text] Baghdad, 11 Jun (INA) — Tariq 'Aziz, Iraqi deputy prime minister and foreign minister, left Baghdad for New York today. The foreign minister, who is a member of the Arab League's seven-member Arab committee that follows developments in the Iran-Iraq war, will participate in the committee's contacts with the UN secretary general and the Security Council president. Together they will seek to end the war and resolve this conflict peacefully. The committee, led by Arab League Secretary General Chedli Klibi, will visit Argentina and Venezuela. The members of the committee will meet with officials there to discuss developments in the war, Iraq's positive stands on regional and international efforts to halt the conflict, and the Iranian regime's insistence on continuing this war. The delegation also includes Jordanian Foreign Minister Tahir al-Masri and YAR Ambassador to Washington Muhsin al-'Ayni.

Transportation, Finance Ministers Head for Amman

JN111712 Baghdad INA in English 1540 GMT 11 Jun 87

[Text] Baghdad, June 11, INA — Mr. Hisham Hasan Tawfiq, minister of finance today left here for Amman to lead the Iraqi delegation to the 47th session of the Arab Economic Unity Council opening there tomorrow.

Mr. Tawfiq said the council over three day meetings will consider a report by the secretary general on Arab economic conditions and joint action and procedure of the council over the past period.

From Amman, the Iraqi minister will leave for Caracas to attend the annual session of the ministerial council of OPEC Fund for International Development opening there next Tuesday.

The Iraqi minister of transport and communications, Muhammad Hamzah also left here for Amman to lead the Iraqi delegation to meetings of the Jordanian-Iraqi company for land transport.

The company meetings will seek possibility of expanding its activity in transporting Iraqi commodities and the technical aspects of the projected Arab marine company.

Shamir, Peres Congratulate Thatcher on Victory

TA121020 Tel Aviv IDF Radio in Hebrew
1000 GMT 12 Jun 87

[Text] Margaret Thatcher has won in London and Yitzhaq Shamir and Shim'on Peres have congratulated her from Jerusalem. In a cable to Margaret Thatcher, the prime minister sent warm congratulations on her election victory. Shamir said: I wish you success and hope for a continuation of the close cooperation between the two countries.

Peres expressed his admiration for Mrs Thatcher's leadership, especially demonstrated by her meeting with the refuseniks in Moscow. Peres also wrote her that he is sure the renewed mandate she has received will provide new impetus to her commitment to our peace efforts and the support for them.

Leftist Group Begins Talks With PLO in Hungary

LD111108 Budapest Domestic Service
in Hungarian 1000 GMT 11 Jun 87

[Text] Talks have begun between high-ranking PLO officials and representatives of the Israeli peace-loving forces in the Congress Center in Budapest. The 21-member Israeli group is headed by Charlie Biton, a parliamentary deputy of the Communist Party. In the five-member Palestinian delegation is Abu Mazin [Mahmud 'Abbas], member of the PLO Executive Committee. The Middle East situation and issues related to the creation of peace are being discussed.

Report on Proceedings

LD111855 Budapest MTI in English
1710 GMT 11 Jun 87

[Text] Budapest, June 11 (MTI) — As reported, high-ranking officials of the Executive Committee of the Palestine Liberation Organization, and other prominent Palestinian leaders and representatives of Israel's peace-loving forces exchanged views on the possibilities for creating peace in the Middle East, in Budapest Thursday.

A 21-member Israeli group arrived for the meeting under the leadership of parliamentary deputy Charles Biton. The Israeli delegates addressing the informal discussion, including trade union leaders, authors, and members of the Kibbutz Movement allied with the Mapam Party, stressed the importance of the mutual recognition of the two peoples in creating conditions for a lasting and just peace in the Middle East. To this end, they took a stand for the PLO to recognize the right to existence of the Israeli State, and stressed at the same time that the setting up of a Palestinian State in the occupied Palestinian Arab territories is the sole genuine guarantee for the peaceful existence of Israel. In this context, they demanded that Israel should withdraw from all occupied Arab territories. They raised the idea of the intermediate solution to establish a provisionally demilitarized Palestinian state which, as an Israeli delegate put it, would facilitate to convince the Israeli public on the possibility of peaceful coexistence. The peace activists considered necessary the participation of the Palestine Liberation Organization, the sole legitimate representative of the Palestinian people, in the planned international peace conference on settlement in the region.

Abu Mazin [Mahmud 'Abbas], member of the PLO Executive Committee and head of the delegation, highly appreciated the brave conduct of the members of the Israeli delegation, who would face a court trial because of meeting the representatives of the Palestinian people under Israeli law.

Abu Mazin stressed that contrary to the accusations of imperialist propaganda, the PLO has made a number of peace proposals since its foundation in 1964. They first proposed creation of a state in which Jews and Arabs could live together having equal rights, and later suggested to set up a Palestinian state in the territories liberated from under the Israeli occupation. The latest proposal concerned a Palestinian-Jordanian confederation. However, Israel rejected all these proposals, and even the members of the government standing for peace, refuse to accept PLO's participation in the peace talks.

Abu Mazin recalled that the recent Algiers session of the Palestinian National Council adopted a proposal to convene an international conference on settlement for the permanent members of the United Nations Security Council, and repeatedly stressed the necessity of PLO participation.

Finally he called on the Israeli delegates to mediate the PLO's position and peace intentions towards their public opinion.

The discussion ended with a statement of the Israeli delegation, stressing that, although they did not attend the meeting in an official capacity, peace can be the only solution to the problems of the region. In his reply Abu Mazin expressed his hope that other similar meetings will be held in the future.

Delegation Recognizes PLO

TA111320 Jerusalem Domestic Service in Hebrew
1300 GMT 11 Jun 87

[Text] At the first meeting in Budapest between the delegation of leftists from Israel and representatives of the PLO, a formulation acceptable to both sides has been achieved. At the end of the meeting, the delegation from Israel announced that it recognizes the PLO as the representative of the Palestinians, calls for the establishment of a Palestinian state beside Israel, and supports an international conference with the participation of the superpowers, Israel, and the PLO.

The head of the PLO delegation announced that this declaration is fully acceptable to his organization, and that the PLO regards it as the foundation for peace negotiations. Our correspondent Razi Barqay reports that the meeting lasted for more than 3 hours with journalists attending. The PLO representatives spoke in Arabic, most of the Israelis spoke Hebrew, and both sides spoke through an interpreter. The PLO is giving a reception this evening for the delegation from Israel.

Talks End, PLO's 'Abbas Comments

TA111938 Jerusalem Television Service in Hebrew
1800 GMT 11 Jun 87

[Text] The meeting between an Israeli delegation headed by Knesset Member [MK] Charlie Biton of HADASH [Democratic Front for Peace and Equality] and a PLO delegation ended in Budapest this evening. One of the PLO leaders, Abu Iyad [Salah Khalaf], said the purpose of the meeting had been to bring about the abrogation of the law banning Israelis from meeting PLO representatives. The PFLP and Abu Nidal's organization demand that the PLO men who took part in the meeting be punished. We have received a report from Budapest from journalist Hana Kalderon:

[Begin recording] The meeting took place at Novhotel's Bartok Hall in Budapest. The most outstanding feature this time was the high level of the Palestinian delegation. The delegation was headed by Mahmud 'Abbas, alias Abu Mazin, who is one of the five most senior leaders of Fatah and a member of the PLO Executive Committee.

The Israeli delegation stressed from the outset that its 19 members hold diverse political views. The two main groups were that of HADASH, headed by MK Charlie Biton and made up of activists in neighborhoods and development towns; and a group of MAPAM members who decided to take part in the meeting in violation of their party's opinion. Most delegates are not very well known to the Israeli public. That is why half of the delegates presented their own position, whereas the PLO was represented only by Abu Mazin, whose remarks were simultaneously translated into excellent Hebrew by 'Imad Shaqqur [a PLO official].

Through strenuous efforts the Israeli delegation drew up a joint communique that includes reference to recognition of the PLO as the legitimate and exclusive representative of the Arab Palestinian people, a demand from Israel to recognize the legitimate rights of the Palestinian people, including the right to an independent state alongside the State of Israel, and a call on the Israeli Government to take part in an international peace conference under UN auspices and with the participation of all the parties involved in the conflict, including the PLO and the five permanent members of the Security Council.

The text of the communique was relayed to Abu Mazin last night. The latter consulted his friends in Tunis over the phone and received their approval to stand beside MK Biton, listen to the text of the communique, and add his own remarks. Abu Mazin said: We regard your communique as good, positive, and brave, and believe it can be a strong basis for bringing peace to the Middle East. [end recording]

Peres on Procedures for Conference Referendum

TA120854 Tel Aviv IDF Radio in Hebrew
0630 GMT 12 Jun 87

[Text] Vice Prime Minister Shim'on Peres said today that the legal aspects of the referendum on the international conference are currently being examined, and that he does not plan to act on it before he receives a legal opinion on this issue. Peres added that the formulation of the question in the referendum should also be legally determined:

[Begin Peres recording] As for the formulation of the question — if indeed I reach such a decision — there are two possibilities: To try to reach an agreement on the question, which we may be able to do; or, if we cannot reach an agreement, both sides will appoint a jurist to formulate the question, and the two jurists will then appoint a jurist to arbitrate between them. This will ensure that the formulation of the question will be conducted in the most objective and legal manner possible. [end recording]

Jurists Term Referendum 'Illegal'

TA120435 Jerusalem Domestic Service in Hebrew
0400 GMT 12 Jun 87

[Text] Several Alignment jurists who examined the possibility of holding a referendum on the international conference issue believe this method is unsuitable and illegal in Israel. Among those who believe so are Minister Moshe Shahal and Attorney Hayim Tzadoq. Minister Shahal told our political correspondent that he is demanding that the Labor Party institutions be convened to adopt a decision against the referendum.

Independents To Quit Alignment Upon Election Call

TA112015 Jerusalem Domestic Service in Hebrew
2000 GMT 11 Jun 87

[Text] The Independent Liberal Party will quit the Alignment as soon as elections are announced. This was the decision passed by the party's convention this evening. According to the decision, the Independent Liberals will continue their partnership with the Alignment but at the same time will hold negotiations with Shinuy and the Liberal Center on the establishment of a centrist party.

Our correspondent Razi Barqay reports that the Ha'oved Hat zyoni group in the party quit the convention after its motion to pursue the partnership with the Labor Party was rejected. The Ha'oved Hatzyoni group argues that the Independent Liberals should abandon the dream of establishing a centrist party and remain in the Alignment.

Ministers View U.S. Compensation for Halting Lavi

TA111059 Tel Aviv MA'ARIV in Hebrew
11 Jun 87 pp A1, A2

[Report by Shraga Meckel]

[Text] The possibility of stopping the Lavi project while asking the U.S. Administration for compensation for this, was discussed yesterday by Prime Minister Yitzhaq Shamir, Finance Minister Moshe Nisim, and other senior officials.

A senior minister may leave for Washington shortly to ask for U.S. support. The intention is to appeal to the U.S. Administration to permit the conversion of a large part of the defense aid to

shekels in a manner that will rule out any threat to the employment of engineers at Israeli Aircraft Industries despite stopping the Lavi project.

The defense aid amounts to $1.8 billion per year. The United States gives Israel arms and military equipment to the tune of $1.5 billion, as well as another $0.3 billion in cash. These dollars are converted in Israel to shekels for the development of the Lavi — $0.21 billion annually — as well as other needs. Israel intends to ask the U.S. Administration to increase the cash part of the aid to more than $0.3 billion, thus increasing the part of the local defense budget used to finance new security projects.

Finance Minister Moshe Nisim is opposed to the continuation of the Lavi project, while Prime Minister Yitzhaq Shamir has reservations about it, especially since he was presented with the economic data and learned of the IDF's opposition. The position emerging in the Prime Minister's Office is that it is impossible to impose the Lavi on the IDF against its will.

AL-NAHAR Decries Provocation of Palestinians

TA101651 Jerusalem AL-NAHAR in Arabic 9 Jun 87 p 1

[Editorial: "When the Jews Do Wrong to Themselves"]

[Text] How long can the Israelis continue living by provoking Palestinian residents, assaulting their properties, and attacking their villages and camps? And how long will the Israelis behave as if Jerusalem is not an Islamic city and the heart of the Islamic world?

We ask these questions while we observe and read about the barbarism of the settlers at the Al-Duhayshah refugee camp, a barbarism from which the Jews have suffered more than others. The assumption is that the Jews know how a persecuted human being feels.

We ask these questions while we read that Dov Shilansky, chairman of the Knesset Interior Committee, will be visiting the Al-Awsa Mosque area today. Shilansky and others know this visit will not only provoke the Muslims who will be present at the time of his visit, but also the Muslims throughout the occupied territories. They know this, and moreover they know that this visit will create problems and produce angry reactions. Anyone exposed to a provocation is liable to ignore every precaution and measure. Offending people could lead to unforseen consequences.

If the settlers want to drive out the Palestinians and seize their lands, if the Israeli radicals are planning to convert holy Islamic sites into Jewish synagogues, and if the Israeli authorities sometimes act as onlookers and other times offer protection to all these aggressions, violations of the law, attacks, and provocations, then why does the Israeli Government not resign and let Meir Kahane be assigned with forming a new government?

Should this happen, Israel's Jews will discover the extent of the wrong they have done to themselves and to their coming generations.

HA'ARETZ Commentary Criticizes Settlers' Tactics

TA111158 Tel Aviv HA'ARETZ in Hebrew 11 Jun 87 p 9

[Commentary by Dan Margalit: "The Pogrom as the Settlers' Tactics"]

[Text] Defense Minister Yitzhaq Rabin was right in his comment yesterday in the Knesset plenum that "Palestinian terrorism is still the main obstacle to peace." No vile act by settlers in the Al-Duhayshah camp comes close to the abhorrent murder of Rami Haba, whose skull was crushed with a rock by terrorists, or the death of 'Ofra Moses, burned by an Arab Molotov cocktail. But this does not detract from the fact that the Phalange-like rioters among the settlers did indeed behave like animals against a sleeping civilian Arab population.

The worrisome aspect of the affair is that the "national camp" actually justifies the act. Most of the Likud Knesset members and the Tehiya and Gush Emunim members added a vigorous "but" to the feeble condemnation of the hooligans from Qiryat Arba'. Only a deaf person would not hear that the "but" was said in a crescendo. It obscures any expression of condemnation by Ge'ula Kohen and her friends.

Accordingly, there is no truth to the claim that it was only a tiny handful of settlers that clashed with the IDF when breaking into the Al-Duhayshah camp. An enormous public is behind them on the chariot of the "but" and "however." They went for "a sure thing," as though they knew the Likud and the Tehiya were providing them with full backing. This became clear to them when the IDF did not immediately react aggressively to the night of bottles in Qalqilyah, when the soldier run over by a settlers' car did not shoot in the air and at the vehicle's wheels as required by the procedures on opening fire.

This also became evident when the general public calmly accepted the fact that Hanan Porat, Yo'el Ben-Nun, and the rest of the moderates among the settlers failed to get Daniyela Weiss out of the secretary's seat in Gush Emunim. The lack of reaction indicated that even the IDF is insufficiently close to the heart of the "national camp" for them to condemn the Jewish rioters without the "but". Thus the signal for the Al-Duhayshah pogrom was given and the fate of the next riots now depends on the results of this one. They could be more grave and violent and threatening to the IDF, and Yuval Ne'eman and Beni Shalita would find something to justify this.

This is no coincidence. They are tried, experienced politicians. Had they thought their position was unpopular among the decisive majority of the voters, they would not have justified by implication the beastliness in Al-Duhayshah. But the Likud and the Tehiya hear the whisper that "it is very good to teach the Arabs a lesson," and refrain from leveling criticism at the pogromists.

It is not only an immoral act, but quite pointless. The Likud and the Tehiya understand that an Arab population that knows that the IDF is working efficiently to defend their lives and property is not dragged into violence against it. And Israel can satisfy itself with keeping a few forces to safeguard law and order in Judaea and Samaria. But Palestinian refugees who are afraid to sleep

quietly in their beds because the IDF is not present in the area or is deterred from fulfilling its task will be pushed almost unconsciously into defending itself with live ammunition within the framework of the terrorist organizations. The IDF will be forced to pay the heavy price of increasing the manpower it stations in the West Bank.

The settlers need no explanations to understand this. Chief of Staff Dan Shomron has already explained the grave significance of such a development to them. They also know the pogroms are making them loathed by many of the soldiers who are called to serve in Judaea and Samaria. This is the threshold upon which a large rejectionist movement against service in the administered territories may be conducted in the future. They are also aware of the fact that the more reliable Left has so far hesitated to challenge the source of the IDF's legal authority. However, following the tactics of revolt by the settlers in Al-Duhayshah and Qalqilyah, the Jewish pro-PLO people will be more daring than they were in the past. A Lebanese model of transgression on the lines of "there is a limit" will be naive in the next round of competition and clashes between the rule of law and rioters against it from the Left. It was the settlers who gave the signal, the 'can-do.'

Why, then, despite all the considerations of what is to be gained, are the settlers heaping wrongs on mistakes, pogrom on rioting? It seems Israel is now witnessing not only a change in the settlers' tactics in how to use force, but also a change in their general views. Little by little, they are recognizing that demography is working against their views. Demography has forced the the Palestinians onto abandoned agricultural land and certain branches of the economy, and they will soon also be using their political power in Hanna Sinyurah's method. Therefore the clash between the two peoples is unavoidable and a continuation of rule with the aid of the IDF will not last long. The international conference is gaining a hold on many people, and therefore a new political line is blossoming and burgeoning, a line that is trying to perpetuate the physical and mental split in the Palestinian people until they become completely worn out and abandon the "tzumud" [Arabic word meaning to stick firmly to something], their adherence to their lands.

Ge'ula Kohen and Yuval Ne'eman and Daniyela Weiss are not bloodthirsty. Under no circumstances is this so. They are certainly not hostile to the IDF. They have just come to the conclusion that this will no longer succeed. Under our very eyes the settlers' pioneer corps — with most of the national camp following in its footsteps — is moving from a controversy favoring coexistence under Israeli auspices to thinning out the Palestinian population from the West Bank. In return for such a strategic goal — and not only to defend a female traveler against a stone that penetrates the bus — even a frontal clash with the IDF is worth it for the settlers.

Knesset, FRG Bundestag Committees To Meet

TA111428 Jerusalem Domestic Service in Hebrew
1300 GMT 11 Jun 87

[Text] The West German Parliament's Foreign Affairs Committee and the Knesset Foreign Affairs and Defense Committee are to hold regular meetings to discuss the problems threatening stability in the Middle East. This was agreed by Hans Stercken, chairman of the Bundestag committee, who is visiting Israel and Abba Eban, chairman of the Knesset Foreign Affairs and Defense Committee.

Hans Stercken also met with Foreign Minister Shim'on Peres. After that, the visitor told our correspondent Gid'on Remez that, from talks with Jordanian and other figures, he had formed the impression that Jordan has genuinely peaceful intentions. To satisfy the Arab countries it would be worth honoring the terms Jordan is forced to set, he said.

Venice Summit Showed 'Apathy' Toward Mideast

JN110712 Amman JORDAN TIMES in English
11 Jun 87 p 4

[Editorial: "Venice's Incomplete Agenda"]

[Text] What is even more important than the subjects mentioned in the statement issued by the Venice Summit of the seven industrialised countries on June 9 are the concerns which escaped the eyes and attention of the leaders gathered in Venice. Or perhaps it would be more appropriate to see the statement within the light of what His Majesty King Husayn said on Tuesday: The superpowers are following a policy of containment in the Middle East and this policy only deals with the by-products of the region's problems but not their root causes. This is how we in this region of the world view the political outcome of the gathering in Venice, especially in these critical times when we have just observed the 20th anniversary of Israel's occupation of our lands and the subjugation of our people.

The decision by the big seven in Venice to exert urgent and concerted efforts on the international level to end the Iran-Iraq war and to apply, through the United Nations Security Council, sanctions against the recalcitrant party engaged in the seven-year-old conflict, is a move in the right direction, albeit late. We certainly commend the decision of the Western leaders to resort to the United Nations Security Council in order to attain free navigation and unimpeded shipping in the Arab Gulf. After all, the United Nations Security Council is the main and paramount international organ for the maintenance of peace in the world. We can also understand and appreciate the concern of the seven over the issue of terrorism and even the plague of AIDS. However, we do not even understand their apparent apathy and indifference towards the heart of all of our problems and crises in the Middle East which is no other than the Palestinian conflict. When may we ask, would the Israeli occupation of our lands and their subjugation of our people ever constitute for them a flash-point worthy of their collective comment, scrutiny and recommendation. What must we in the Arab World do to attract the eye and attention of the seven giants?

The least that the seven powers could have done is to support the projected international peace conference on the Middle East or even make a comment or reference to it. Surely they must have heard about the on-going turmoil, strife and bloodshed in the occupied territories. Only a few days ago, Jewish settlers in Arab lands attacked our beleaguered people in the Al-Duhayshah camp and threatened their lives and brought havoc to their homes and properties. Our universities there are often closed and students and professors expelled. Our youth are murdered almost daily at the hands of the Israeli police and Army. Reports emanating from the West Bank and Gaza Strip confirm that the Israeli authorities practise systematic torture, inhuman and degrading treatment against our people whose only aspiration is an end to the Israeli occupation and the attainment of liberty. We have the right and duty to demand of the Western leaders the same quality of responsibility and leadership which they have accorded many flash-points in the world to the simmering Middle East conflict. Otherwise, the stakes for them and for us could very well become much higher and hotter.

AL-DUSTUR Views Venice Statement on Gulf War

JN110943 Amman AL-DUSTUR in Arabic
11 Jun 87 pp 1, 23

[Editorial: "The Venice Statement and the Gulf War"]

[Text] The statement issued by the Venice summit yesterday emphazized the need to exert serious, coordinated efforts on an international level to contribute to ending the Gulf war. It also emphasized the need to stop this war through negotiations based on recognized international principles. This is undoubtedly a positive, objective stand, which gives this statement special weight since it was issued by a large international group with prominent importance.

But such a stand on the Gulf war, despite being extremely positive, is considered a mere reiteration of previous Western stands which were expressed on numerous similar occasions. Such stands did not have any practical effect because they lacked a serious will to support the verbal stand with deeds.

Even when some Western states, particularly the United States, take a step that is more than a mere verbal stand, their measures would be closer to involvement in the Gulf war than to coordination of an international position. Such an international stand could, through the legitimacy of the United Nations itself, contribute effectively toward reaching a peaceful end to this war.

The most obvious evidence of this is the ongoing U.S. and Western allies' naval concentrations in the Arab Gulf. These concentrations bring to mind the multinational force the United States sent to the Lebanese coast several years ago as a U.S. alternative to a more just and more effective option; that is, the option of a UN force and its international legitimacy.

We welcome the positive attitude of the Western industrial summit toward the Gulf war, and we value the importance of such a stand in the summit's statement. However, we still believe that, if the Western states truly want to end the war, they must join the efforts of the UN secretary general and the permanent Security Council members to find a just settlement for this bloody and bitter conflict. This is the most effective and realistic option to achieve desired results.

SAWT AL-SHA'B Views Upcoming Talks With Syria

JN110833 Amman SAWT AL-SAH'B in Arabic
11 Jun 87 pp 1, 22

[Editorial: "The Jordanian-Syrian Meeting"]

[Text] Jordan welcomes its dear guest, Dr 'Abd al-Ra'uf al-Kasm, the prime minister of the Syrian Arab Republic. This welcome is based on all the important and great components which the fraternal relationship between the two sisterly countries is based upon.

Thus, what exists between Jordan and Syria is more than just visits and talks. Jordan and Syria are linked by historical ties reflected in the current bilateral relations. Dr al-Kasm summed up these ties by stating at the airport: "We hope that our

relations with other countries will be similar to our relationship with Jordan."

The Syrian prime minister's visit thus carries with it a bright image reflecting the importance of meetings among Arab brothers during these circumstances in which important issues are arising. These issues are not the concern of a single Arab country and their results affect the entire Arab region.

Thus, the good bilateral Arab meetings and their healthy signs put the preliminary touches to a summit conference highlighting the issues being shouldered by Arabs. Moreover, these fraternal meetings open the door for furthering Arab solidarity, healing every rift in the nation's body, and overcoming all secondary and marginal obstacles for the sake of pressing priorities.

In short, Jordan and Syria, in every joint working meeting, stress the deep relations between them and emphasize the needs requiring consultation, discussion, and shouldering of responsibilities. These efforts have large dimensions that will soon inevitably yield results.

Jordan and Syria are a current example of distinguished fraternal relations under their two great leaders, His Majesty King Husayn and his brother His Excellency President Hafiz al-Asad. Thus, the two sisterly countries affirm the depth of pan-Arab stands and the need for unified Arab action against the dangers surrounding the nation,dangers which exist in more than one place in the one Arab body.

Jordan, which welcomes its dear guest Dr 'Abd al-Ra'uf al-Kasm, reiterates the importance of Arab meetings. Jordan also stresses the image of one [unified] power displayed in such meetings and also in the future glad tidings they will carry for this nation.

Official Talks With Syrian Minister Al-Kasm Open

Al-Kasm Speaks on Arrival

JN101952 Damascus Domestic Service in Arabic 1815 GMT 10 Jun 87

[Excerpts] [Passage omitted] Syrian Prime Minister Dr 'Abd al-Ra'uf al-Kasm arrived in Amman at 1600 today for a 4-day visit to the Hashemite Kingdom of Jordan. He leads a delegation comprised of Minister of Interior Muhammad Ghabbash, Foreign Minister Faruq al-Shar', Minister of Transport Eng Yusuf Ahmad, and a number of advisers and experts.

Dr al-Kasm was received at Amman Airport by Jordanian Prime Minister Zayd al-Rifa'i, Syrian Ambassador to Amman Majid Abu Salih, and Jordanian Ambassador to Damascus 'Ali Khurays.

At the airport, Dr al-Kasm responded to questions on Syrian-Jordanian relations posed by reporters and news agency correspondents. He said: Since the blessed Corrective Movement under President Hafiz al-Asad, Syria has worked to establish better relations with all Arab countries to confront Zionism, imperialism, and their agents. He added: Syria has worked and will continue to work to achieve this goal. We in Syria are pleased to meet with our brothers in Jordan to achieve a common objective; that is, the liberation of the land.

Answering another question on Syrian-Jordanian relations and how he would describe them, Dr al-Kasm said: A beautiful and good thing cannot be described.

On talks with the Jordanian side and the issues to be discussed, Dr al-Kasm said: Everything can be discussed among brothers. My brother and I talk about anything we think of for the well-being of our two countries and our Arab nation. He added: The talks will undoubtedly cover political issues.

Jordanian Prime Minister Zayd al-Rifa'i also responded to reporters on the talks he will hold with Dr al-Kasm during this visit by saying: I look forward to our talks, which will cover all aspects of cooperation between our countries. We will also discuss all issues that will benefit all the Arab nation's countries. We possess identical views, aspirations, and hopes. We will continue on the good path charted by His Majesty King Husayn and President Hafiz al-Asad. We hope we can promote our bilateral relations to the level reflecting the relations between our leadership and countries.

Syrian-Iraqi Mediation Viewed

JN121520 Abu Dhabi AL-ITTIHAD AL-USBU'I in Arabic 11 Jun 87 p 3

[Text] Amman — *Al-Ittihad* — Syrian Prime Minister Dr 'Abd al-Ra'uf al-Kasm has affirmed that there are no arrangements to hold meetings between Syrian and Iraqi officials at the present time. Answering a question on mediation efforts between Syria and Iraq, Dr Al-kasm, who arrived in Amman yesterday on a 4-day visit, said: We hope our relations with all Arab countries will be like our relations with Jordan. We wish our people in Iraq what we wish our people in Syria.

Discussing Syria's relations with the PLO and reconciliation efforts between the two sides, Al-Kasm said: Syria is not in a dispute with individuals or sides. Syria follows a clear line which is hostile to the enemies of the Arab nation. We support all those who agree with this line. He added that his country seeks comprehensive Arab solidarity as a basis and a step toward Arab unity for confronting Zionism, imperialism, and their agents.

For his part, Jordanian Prime Minister Zayd al-Rifa'i — who received Al-Kasm at the airport — answered a question on Jordanian mediation between Syria and Iraq by claiming that Jordan is not playing the role of direct mediator. It instead discusses with Syrian and Iraqi officials, as well as with all Arab sides, ways to end differences and thus achieve Arab solidarity. He noted that his talks with Dr Al-Kasm will deal with issues that will benefit all countries of the Arab nation.

Talks between the two sides began last night. Jordanian Foreign Minister Tahir al-Masri meanwhile met with his Syrian counterpart Faruq al-Shar' and reviewed important issues in Syrian-Iraqi relations.

The Syrian delegation includes Foreign Minister Faruq al-Shar'm, Minister of Interior Muhammad Ghabbash, and Minister of Transport Eng Yusuf al-ahmad.

Official Talks Resume
JN111607 Amman Domestic Service in Arabic
1500 GMT 11 Jun 87

[Text] Amman — Official talks resumed this morning at the Prime Ministry between the Jordanian side, headed by Prime Minister Zayd al-Rifa'i, and the Syrian side led by Prime Minister Dr 'Abd al-Ra'uf al-Kasm. The two sides reviewed aspects of economic and trade cooperation and concentrated on the activities of the two countries' joint companies, especially the land transportation, maritime, and industrial companies, the Syrian-Jordanian bank, and the Jordanian-Syrian company for the industrial zone. The two sides also discussed practical steps to jointly promote and improve these companies to achieve the greatest efficiency for both fraternal countries' benefit.

Jordanian participants in the talks were the deputy prime minister, the foreign minister, the industry and trade minister, the transportation minister, the Jordanian ambassador to Syria, the Industry and Trade Ministry under secretary, and the economic adviser at the Prime Ministry.

Syrian participants included the interior, foreign, and transportation ministers.

King Husayn Receives Al-Kasm
JN111554 Amman Domestic Service in Arabic
1500 GMT 11 Jun 87

[Text] His Majesty received Syrian Prime Minister Dr 'Abd al-Ra'uf al-Kasm at the Al-Nadwah Palace today at noon. Those in attendance were His Highness Crown Prince Hasan, Prime Minister Zayd al-Rifa'i, and Marwan al-Qasim, chief of the Royal Hashemite Court. During the meeting, the participants reviewed current Arab developments, issues of interest to the two fraternal countries, and bilateral cooperation and ways to improve this to the benefit of both fraternal peoples.

Part of the meeting was attended by Deputy Prime Minister 'Abd al-Wahhab al-Majali, Dr Raja'i al-Mu'ashshir, minister of supply, industry, and trade; Transportation Minister Eng Ahmad Dakhqan, Interior Minister Raja' al- Dajani, and Jordanian Ambassador to Syria 'Ali Khurays. It was also attended by [Syrian] Interior Minister Muhammad Ghabbash, Minister of Foreign Affairs Faruq al-Shar', Minister of Transportation Yusuf al-ahmad, and Syrian Ambassador to Jordan Majid Abu Salih.

The attendants then enjoyed a luncheon banquet hosted by His Majesty King Husayn.

Talks Resume in Amman
JN120624 Amman Domestic Service in Arabic
0400 GMT 12 Jun 87

[Excerpt] Official talks between the Jordanian side, led by Prime Minister Zayd al-Rifa'i, and the Syrian side, led by Prime Minister Dr 'Abd al-Ra'uf al-Kasm, resumed at the Prime Ministry last night. They reviewed trade relations and cooperation in industry, agriculture, development, planning, supply, communications, electricity, education, higher education, culture, tourism, and archeology.

Both sides expressed satisfaction with the progress of brotherly ties between the two countries. Each stressed the necessity of deepening cooperation in various fields to benefit both peoples and the Arab nation.

Attending the talks for Syria were the ministers of interior, foreign affairs, and transportation, as well as the Syrian ambassador in Amman. Jordan's representatives were the deputy prime minister, the ministers of interior and industry, trade, and supply; the Jordanian ambassador in Damascus, the under secretary of the Ministry of Industry, Trade, and Supply, and the Prime Ministry's economic adviser. [passage omitted]

King Husayn Efforts Said Praised by Al-Qadhdhafi
JN111013 Amman AKHBAR AL-USBU' in Arabic
11 Jun 87 pp 1, 35

[Text] Over the next few days, Jordan will continue its diplomatic moves in the Arab world as senior Jordanian delegations make brief visits to a number of Arab capitals. Their goal is to attain even a minimum degree of Arab solidarity to confront current developments in the Arab arena.

Jordan has recently succeeded in attaining tangible progress in this regard by improving relations between Syria and Iraq. Well-informed Arab sources note that the Jordanian move enjoys the backing and participation of Saudi Arabia and the Gulf countries. They added that results of the plan will appear during the next few weeks when a limited Arab summit will be held in Riyadh to reach agreement on a formula for the Arab move at all levels.

Jordan will dispatch an envoy carrying messages from His Majesty King Husayn to the leaders of the Arab countries the delegation will visit. The first stage of these visits will include Damascus, Baghdad, and Riyadh, followed by the Gulf and Arab Maghreb nations. These sources noted that Libya's Colonel Mu'ammar al-Qadhdhafi has sent a message to King Husayn praising his majesty's efforts to achieve Arab solidarity and solve differences between the Arab nations, especially Syria and Iraq.

Iraqi Transportation, Finance Ministers Arrive
JN112013 Amman Domestic Service in Arabic
1800 GMT 11 Jun 87

[Text] Amman — Muhammad Hamzah al-Zubaydi, Iraqi transport and communications minister, arrived in Amman this

afternoon leading an official delegation on a several-day visit to Jordan.

In a statement to PETRA-JNA, Al-Zubaydi paid tribute to the stand of Jordan's king, government, and people toward the fraternal Iraqi people in their confrontation against hateful Iranian aggression. He added: The stands taken by His Majesty King Husayn will not be forgotten by the Iraqi people. The minister went on to say: These are historic stands on fateful pan-Arab causes and issues.

Al-Zubaydi indicated that during his visit he will hold talks with his Jordanian counterpart on transportation issues and also attend meetings of the Iraqi-Jordanian Land Transport Company's general assembly. The [Iraqi] delegation comprises Eng Ghassan Radwan, under secretary of the Ministry of Transport for Planning Affairs, and Muhammad Ra'uf, a member of the company's board of directors. The Iraqi delegation was received at the airport by Minister of Transportation Ahmad Dakhqan, the Iraqi ambassador in Amman, and embassy staff.

Iraqi Finance Minister Hisham Hasan Tawfiq also arrived in Amman this afternoon for the 47th session of the Arab Economic Unity Council, which will begin early next week. The Arab finance and economy ministers will be in attendance. The minister expressed hope that during these meetings efforts will be made to enhance joint Arab action. In a statement to the PETRA-JNA correspondent, he said: We hope to see the conferees revive the council's aspirations to help achieve common Arab interests.

Foreign Minister Departs for UN Talks on Gulf

JN111709 Amman Domestic Service in Arabic 1500 GMT 11 Jun 87

[Text] Amman — Foreign Minister Tahir al-Masri departed Amman for New York this evening to participate in tommorrow's meeting between the Arab seven-man committee and UN Security General Javier Perez de Cuellar as part of its international efforts to end the Iraq-Iran war.

The committee is scheduled to hold contacts and consultations with representatives of the UN Security Council, particularly the five permanent members in New York, to increase agreement among them and to ask them to quickly issue a UN resolution to halt the Gulf war.

Tariq 'Aziz, Iraqi deputy prime minister and foreign minister, and Arab League Secretary General Chedli Klibi left for New York today to head the Arab seven-man committee delegation on the Iran-Iraq war.

Party Representatives Hold Meeting in Beirut

NC111528 Beirut Domestic Service in Arabic 1400 GMT 11 Jun 87

[Text] A meeting was held in the office of 'Asim Qansuh, regional secretary general of the Arab Socialist Ba'th Party Organization, this afternoon. It was attended by Ba'th Party, Communist Party, PSP, Nasirite Popular Organization, and Amal Movement representatives, as well as Colonel 'Ali Hammud, head of the Syrian observers in Lebanon.

Following the meeting, Qansuh made a statement in which he said that this convocation is a continuation of the Damascus meetings. He disclosed that a committee comprising representatives of the parties has been formed to prepare a working paper that will be discussed at a meeting tomorrow afternoon.

Statement on 'National Front'

NC111919 Beirut Domestic Service in Arabic 1530 GMT 11 Jun 87

[Statement by 'Asim Qansuh, secretary general of the Arab Socialist Ba'th Party Organization in Lebanon, followed by remarks in response to questions by unidentified correspondets, after a meeting of party representatives in his office in West Beirut on 11 June — recorded]

[Text] This meeting of representatives of the progressive, nationalist parties and the Amal Movement was a continuation of the meetings held in Damascus over the past 3 days. We will meet again at 1700 tomorrow. We formed a committee at our meeting today comprising Marwan Hamadah, Muhammad Baydun, and Karim Muruwwan, which is to prepare a working paper that will be discussed tomorrow regarding a political program for a national front we intend to establish. Today we discussed some of the problems that exist among the members of this front. The atmosphere was extremely positive. We are planning to resolve, God willing, all the problems that exist among the nationalist parties in order to strengthen the nationalist front in the face of the partitionists, particularly after the assassination of the martyr Rashid Karami.

We regard this front, established as a means to confront all the partitionist and Zionist schemes, as the desired hope to bring about a reassessment of relations with the regime, on the one hand, and to place matters in their proper perspective, on the other.

[Correspondent] [Words indistinct] in Damascus?

[Qansuh] We know we will resume the meetings tomorrow to discuss the working paper this committee will prepare. As for our meeting in Damascus, there will be a meeting of the expanded Islamic Grouping...

[Correspondent, interrupting] [Words indistinct] new front?

[Qansuh] We are still at the preparatory stage. I hope we will [words indistinct] tomorrow, and then we can move to Damascus to inform Walid Junblatt, Nabih Birri, George Hawi, and Mustafa Sa'd about the agreement we reached in this committee.

[Correspondent] Will anyone besides the present parties join the front?

[Qansuh] At the present time, the front will be composed of the nationalist parties and the Amal Movement. A general national conference may be held in the next stage, which could give the national front a different form and include all independent national figures and other parties not currently included in the front.

Further Qansuh Remarks

NC120550 Beirut Domestic Service in Arabic 0430 GMT 12 Jun 87

[Text] Representatives of the nationalist and progressive parties and the Amal Movement met yesterday at the office of 'Asim Qansuh, regional secretary of the Arab Socialist Ba'th Party Organization in Lebanon. In a statement after the meeting, Qansuh said that Ministers Nabih Birri and Walid Junblatt had concluded a reconciliation and that there is now an integrated unity among the parties. All parties have managed to get past the tragic state of affairs that they were stumbling into, he added, noting that the national front they seek represents the last card in confronting the ongoing schemes. Qansuh ruled out any military escalation because it only exacerbates the situation. What is important, he said in conclusion, is to gain political support in the eastern areas in a way to serve the cause for which Prime Minister Rashid Karami gave his life.

Parties Decry Egyptian Arrests

NC121142 (Clandestine) Voice of the People in Arabic to Lebanon 1030 GMT 12 Jun 87

[Excerpt] The nationalist and progressive parties issued a statement today, saying that the nationalist and progressive powers in Egypt are being subjected to an unjust arrest campaign, launched by the Camp David regime and aimed at many intellectuals and key figures from various associations, particularly the leaders of the Nasirite Arab Socialist Party.

The statement points out that the Egyptian authorities, submitting to orders from the United States, used an incident involving a U.S. intelligence agent to launch the arrest campaign. This, according to the statement, shows the bankruptcy of subordination systems.

The statement further asserts that the Palestinian and Lebanese nationalist and progressive powers support the struggle of the Egyptian people and their nationalist leaders. They call on all Arab nationalist powers to support the strugglers in Egypt. They also call on lawyers' associations in every Arab country, as well as the Arab Lawyers Federation and the Arab Journalists Federation, to work for the release of political prisoners in Egypt.

The Lebanese nationalist and progressive parties had held a meeting in the office of 'Asim Qansuh, regional secretary of the

Arab Socialist Ba'th Party Organization in Lebanon, to study the campaign launched by Egyptian authorities against nationalists and Nasirites. [passage omitted]

Army Officers Said To Be Involved in Karami Death

NC121246 (Clandestine) Voice of the Mountain in Arabic to Lebanon 1130 GMT 12 Jun 87

[Excerpts] Military sources who have followed up the ongoing investigations revealed today that Lebanese Army Colonels Fulaylati and Harb supervised the planting of an explosive device under the seat of martyred Prime Minister Rashid Karami in the Puma helicopter before it took off from the Adma Air Base in Juniyah. The operation, the sources add, was carried out in coordination with Major Antoine Shidyaq, who made sure the device would kill no passengers other than Karami.

The various stages involved in this operation were carried out with the knowledge of Lieutenant Colonel George Shahwan, the officer in charge of military security in the Air Force, who is known for his close ties with the Lebanese Forces.

The same sources state that the discovery of these involvements caused differences within the military. Threats and warnings were sent to a number of investigators and Army officials, as well as some political officials, against bringing to trial any of the aforementioned officers or the Air Force Commander Fahim al-Hajj. [passage omitted]

The sources add that [Army Commander] 'Awn met several times with Major Bustani and Major Mulays, the helicopter pilot and co-pilot, to instruct them on the testimony they should make before the investigating committees and the judicial investigator, guaranteeing that they would not be harmed and promising them paid leave and training courses abroad. [passage omitted]

Military Orders New Report on Assassination

NC121742 Beirut Voice of Lebanon in Arabic 1630 GMT 12 Jun 87

[Report by station correspondent George Shahin]

[Text] The joint meeting of the Military Council and the Military Investigating Committee under Army Commander General 'Awn's chairmanship concluded at the Ministry of National Defense at 1915 today. A military source informed us a short time ago that during the meeting, the Military Council reviewed the Military Investigating Committee's report on Prime Minister Rashid Karami's assassination. The military source added that the Military Council decided to return the report to the committee following a detailed discussion between the Council and Committee Chairman Staff General Sami al-Shaykhah. It instructed it to expand the investigation and to identify those responsible for the security breach that allowed the explosive device to be placed on board the helicopter. The Military Council also directed the committee to submit the new report by 1000 on Monday [15 June].

The source informed us that the Military Council had reminded the investigating committee that at a joint meeting on 6 June, the Army Command and the Council had given it absolute powers to summon and interrogate any individual whose testimony it deemed necessary to facilitate the investigation.

Army Commander Denies Reports of Resignation

NC120631 Beirut Domestic Service in Arabic 0430 GMT 12 Jun 87

[Text] Army Commander General Michel 'Awn has denied reports that he had submitted his resignation to the president. He held the conspirators, using the Army as cover, responsible for carrying out the crime [of assassinating Prime Minister Karami]. General 'Awn was quoted as saying in a meeting with Army officers that the parties that planned the assassination of Prime Minister Karami used a military helicopter in their crime to attain two specific objectives: First, to assassinate Karami; and second, to strike at and undermine the military establishment. He added that the Army is not a vengeful institution nor a tribe, and its command does not fear anyone. The Army is an instrument of the executive and judicial authorities. The investigating committee, which has the confidence of the Army and the parties involved, began its work immediately after the crime had taken place. This committee is doing its job freely and speedily, but not hastily.

National Liberal Party Calls for Khaddam Dismissal

NC121216 (Clandestine) Radio Free Lebanon in Arabic 1045 GMT 12 Jun 87

[Excerpt] During its weekly meeting today, the Higher Political Council of the National Liberal Party discussed current conditions, the ramifications of the assassination of Prime Minister Rashid Karami, and Syria's subsequent attempts to exploit Lebanon by holding the Damascus meetings and summoning political and religious figures to the Syrian capital to impose certain stands. The Council members voiced their opposition to Syria's policy of interference in Lebanon's affairs and to the insults and threats made by [Syrian] Vice President 'Abd al-Halim Khaddam, who is taking advantage of Prime Minister Karami's assassination. They denounced this behavior as a flagrant attempt to strike the regime and implement the plan of domination and annexation, stating that it could contribute to a partition of the Lebanese homeland after emptying it of its legitimate institutions. The Council reminded Syrian President Hafiz al-Asad that to prove the contrary and to couple words with deeds, thus paving the way toward establishing normal relations between Lebanon and Syria, he has only to relieve Khaddam of his responsibilities. [passage omitted]

Karami's Brothers on Assassination, Army's Role

NC121412 Beirut Domestic Service in Arabic 1300 GMT 12 Jun 87

[Text] 'Umar Karami has opined that the assassination of his brother, martyred Prime Minister Rashid Karami, defied the greater Lebanese will, saying: We will not fear anything but

will confront the incident until truth is revealed and until all institutions and organizations have purged themselves of penetrators. He noted that such action is the first step toward liberating the country and restoring reconciliation and cohesion to the Lebanese. 'Umar Karami was speaking before a number of personalities and delegations who, acknowledging him as the head of the family, offered condolences on his brother's death.

For his part, Ma'an Karami has called upon the Army to bear its responsibility in connection with his brother's assassination, noting that the cuprits have challenged the Army and damaged its honor more than they have defied the martyred's family.

Following his meeting with Major General 'Uthman 'Uthman, director general of the Internal Security Forces, Ma'an Karami said: We are not giving lessons in nationalism but are requesting the Army to perform its duty. He addressed Army Commander General Michel 'Awn, saying: Prime Minister Rashid Karami's assassination has shaken the Army's honor. We insist that you bring the negligent persons to account.

Irish Defense Minister Departs After 5-Day Visit

NC111934 Beirut Domestic Service in Arabic
1530 GMT 11 Jun 87

[Excerpt] Irish Defense Minister Michael Noonan departed from Beirut today for Ireland via London following an official 5-day visit to Lebanon. During his visit, the Irish defense minister met with a number of Lebanese officials and inspected his country's UNIFIL contingent. [passage omitted]

AL-BA'TH on Karami Death, New National Front

JN120821 Damascus Domestic Service in Arabic
0430 GMT 12 Jun 87

[From the press review]

[Text] Under the headline "National Accord Is a Basic Task," the newspaper *Al-Ba'th* carries a comment in which it points to the aims of the assassination of martyr Rashid Karami. The paper says: The perpetrators of this heinous crime only seek to foment fighting once again in the fraternal country. Their goal is to attain their renewed scheme to partition Lebanon and turn it into bases for subversion against the Arab nation's present and future. One who hears the news media of the parties to the Camp David accords and their daily reports about Lebanon will directly discover the magnitude of the horrible conspiracy being concocted against the Arab nation via Lebanon. Accordingly, the crime of assassinating Karami seems a basic part of that conspiracy concocted in Washington, Tel Aviv, and in the capitals of some countries in the region.

The huge U.S. military concentrations in Arab waters, as well as Washington's instigation of its NATO allies and these allies' participation in Washington's aggressive plans in the region are irrefutable evidence that Rashid Karami's assassination was only part of a general aggressive scheme aimed at the whole region. This scheme exposes to everyone the magnitude of danger posed by the plans of Washington and Tel Aviv.

Al-Ba'th continues: At a time when external and internal hostile forces are trying to undermine Lebanon's struggle and to fragment Lebanon and destroy it, achieving national accord becomes a basic task surpassing all others. Yesterday's announcement of the formation of a national front, which is scheduled to declare its political platform today, is actually an important accomplishment and a natural reply to those calling for the partitioning of Lebanon. Such militant action will envitably contribute to making the country safe and secure.

We reemphasize that disclosing the perpetrators of Karami's assassination will undoubtedly be a victory for the unity of the Lebanese land and people.

Khaddam Receives Norwegian Defense Minister

JN111249 Damascus Domestic Service in Arabic
1115 GMT 11 Jun 87

[Text] Vice President 'Abd al-Halim Khaddam received Norwegian Defense Minister Johan Jorgen Holst and his delegation at 1000 today. Major General 'Adnan Tayyarah [not further identified] and the Norwegian charge d'affaires in Damascus attended the meeting. Talks centered on the situation in the region and the tasks of UN forces in the area.

UN Fact-Finding Committee Arrives in Damascus

JN111741 Damascus Domestic Service in Arabic
1115 GMT 11 Jun 87

[Text] Damascus — The special committee investigating Israeli violations of human rights in the occupied Arab territory arrived in Damascus today. The committee is headed by Daya Pereira, Sri Lanka's permanent UN representative.

The committee will meet with a number of officials and interview a number of witnesses on the inhuman and brutal Zionist practices which the Zionist entity is imposing on the Arabs in the occupied territory.

This committee was formed in accordance with a UN General Assembly resolution issued in 1968.

Kabul Reports Passenger Aircraft Shot Down 11 Jun
LD111719 Kabul Domestic Service in Pashto
1600 GMT 11 Jun 87

[Text] Criminals belonging to extremist opposition groups, acting on the instructions of their imperialist and reactionary supporters, have perpetrated another barbaric and inhuman act against our country's toiling and peace-loving people by shooting down a passenger aircraft in Zabol Province, thereby bereaving a number of our compatriots' families, at a time when our revolutionary authorities have proclaimed a cease-fire in order to achieve national reconciliation.

Bakhtar reports that a DRA passenger aircraft on a flight from Zabol Province to Kabul was shot down over Shah Juy District at approximately 0630 today by a guided missile of [words indistinct] of imperialism and reaction.

As a result of this barbaric and inhuman act by the extremists against human dignity, 53 of the 55 persons on board, including the flight crew and 16 children and 10 women, were martyred in this tragic incident.

The remaining two passengers are seriously injured.

This is not the first time that extremist criminals have embarked on shocking crimes against the innocent people of our country during the cease-fire and time of national reconciliation.

Apart from the other crimes perpetrated by opposition extremists, two other DRA passenger aircraft have been hit by missiles in a major district of Khowst Province, martyring a number of our innocent compatriots, including children, women, and the elderly, since U.S.-made Stinger missiles were supplied to extremist opposition groups.

Denouncing with deep sorrow this barbaric and inhuman act by the extremists, our country's peace-loving people express their indignation and revulsion against those who generously supply these lethal and destructive weapons to extremist opposition groups in order to continue war and bloodshed in the DRA.

Foreign Ministry Announcement
LD112012 Kabul Domestic Service in Dari
1600 GMT 11 Jun 87

[DRA Foreign Ministry announcement issued on 11 June]

[Text] At the time of the proclamation and achievement of the national reconciliation policy by the revolutionary authorities, which seeks only to ensure peace and tranquillity in the DRA, the circles of reaction and imperialism headed by U.S. imperialism and the elements linked to it are intensifying their interference, aggression, and destructive activities against our country daily by continuing their undeclared war against the revolution and our people.

In line with the inhuman deeds of reaction and imperialism against our people and country, armed opposition extremist elements, acting in accordance with the instructions and assistance of their reactionary and imperialist patrons, have once again resorted to outright terrorism by firing a U.S.-made Stinger missile at an Afghan airline AN-26 passenger aircraft with 55 persons on board on a flight from Qandahar Province [as heard] to Kabul at 0630 today.

As a result of this attack, the aircraft was shot down over the district of Shah Juy, Zabol Province, and 53 of its passengers, including 16 children and 10 women, tragically became the victims of this dastardly action by extremist elements attached to reaction and imperialism. Two people, including a 6-year-old child, were seriously injured.

To resort to such actions when the national reconciliation policy is being sucessfully implemented is not accidental; it is part of an organized plan being carried out against the national reconciliation process in order to prevent peace and tranquillity in our country and in the region.

Recent incidents and developments concerning the hostile and aggressive approach of the Pakistani military regime to the national reconciliation policy — for instance, the intensification of provocations and border violations, attacks on passenger and transport aircraft, the prevention of the voluntary return of Afghan emigres, the intensification of destructive armed activities against the DRA, and the all-round assistance of U.S. imperialism in organizing, financing, equipping, and [words indistinct] of armed opposition extremist forces with increasingly modern weapons, including Stinger and Blowpipe missiles, and so on — are proof that U.S. imperialism, in collusion with the militarist regime in Pakistan, do not want to see peace and tranquillity ensured or the situation in our country returned to normal.

Using this strategy along with the Islamabad regime, U.S. imperialism is vainly striving to hinder the consolidation of the people's system in the DRA and to strengthen further its military presence in order to implement its sinister and [words indistinct] plan in the region by maintaining the tense situation in and around our country.

Reaction and imperialism, resorting to inteference and aggression and indifferent to the peace-loving will of the peoples of the DRA, Pakistan, and the region, should know that in a situation where opportunities are coming to the fore under the new conditions of the national reconciliation policy -- which is seeks to further democratize social life with the participation of all strata and groups of people, including the opposition, even up to the creation of a national unity government -- resorting to hostile attacks, including outright terrorism, is a most shameful example of inhumanity.

The revolutionary authorities, in line with the will of the DRA people, the noble wishes of the peace-loving forces of the region, and the assistance and cooperation of its honest, international, and noble friends, strongly determine to use all possible efforts to ensure nationwide peace and to continue bravely and firmly their just struggle, using all resources for achieving a stable peace in the region and in the world.

'Martyred' Qandahar Political Chief Buried

LD111818 Kabul Domestic Service in Pashto
1600 GMT 11 Jun 87

[Excerpts] The military funeral of comrade Brigadier General ('Abdol Qayum Sediq), head of the Armed Forces political affairs in Qandahar Province who was shot and martyred by extremist opposition elements while explaining the policy of national reconciliation in Argandab district of Qandahar Province, took place today on Martyrs' Hill.

The funeral was attended by comrades Major General Mohammad Rafi, member of the PDPA Central Committee Politburo and DRA minister of defense; Lieutenant General Gholan Faruq Yaqubi, member of the PDPA Central Committee Politburo and DRA minister of state security; Lieutenant General Seyyed Mohammad Golabzoy, member of the Politburo and the DRA minister of interanl affairs; Lieutenant General Nazar Mohammad, candidate member of the PDPA Central Committee Politburo and first vice chairman of the DRA Council of Ministers; a number of generals and officers of the DRA Armed Forces, NCOs and troops; and a large number of the martyr's family and friends.

A *Bakhtar* correspondent reports that after the funeral of Brig Gen ('Abdol Qayum Sediq), his biography was read by an officer of the DRA Armed Forces. [passage omitted]

Comrade Rafi then spoke with appreciation about the personality, bravery, and self-sacrifices of martyr Brig Gen ('Abdol Qayum Sediq) in defense of the aspirations of the April Revolution and the national sovereignty and territorial integrity of the DRA. On behalf of the personnel of the country's Armed Forces, he expressed condolences and sympathy to his survivors and family. [passage omitted]

Najibullah Addresses Women's Council Plenum

LD112049 Kabul Domestic Service in Dari
1600 GMT 11 Jun 87

[Excerpts] In order to support and confirm the decisions and resolutions of the Jawza Plenum of the PDPA Central Committee, the seventh plenum of the National Council of Afghan Women [NCWA] was held this afternoon. Comrade Najib, general secretary of the PDPA Central Committee, participated in the session. The results of work among women and the role of women's councils in implementing the national reconciliation policy was on the agenda of the plenum held in the hall of Delkush Palace. Comrade Najib delivered a speech in which he mentioned the positive results of their work and the role of women's councils in implementing the national reconciliation policy. He also specified the further duties of the women's councils in the new work conditions. [passage omitted]

The plenum elected new NCWA leading officials consisting of 142 persons from representatives of various strata and groups from throughout the country. The plenum elected (Masoma Esmati) as the NCWA chairman. [passage omitted] Three new vice chairman were alsoelected. [passage omitted]

In accordance with the council's new charter, the NCWA changed its name to the Council of Afghanistan Women.

The plenum elected (Shafeqa Razmenda), (Belghis Sabesh), and (Soltana Omid) as the vice chariman of the Council of Afghanistan Women.

Najibullah Addresses Kabul City Party Meeting

LD120607 Kabul BAKHTAR in English 0433 GMT 12 Jun 87

[Text] Kabul, June 11, *Bakhtar* — Najib, general secretary of the PDPA CC, several members of the Politburo and Secretariat of the Central Committee of the PDPA participated in the sessions of the party committees of the eleven precincts of Kabul City. They threw light on the decisions and resolutions of the plenum of the Central Committee of the PDPA and its various aspects.

Najib took part in the session of the party committee of Precinct Number One of Kabul City and talked about the undelayable tasks of the party and social organisations in connection with the decisions of the plenum of the PDPA CC held on June 10.

Despite facing different obstacles, over fifty nine thousand refugees from Pakistan and Iran crossed the thorned wires and returned to their homeland before their cases be settled through diplomatic channels, said Najib. He added that had the governments of belligerent foreign countries not interfered the number of the returnees would have been much higher.

The policy of national reconciliation has produced great interest outside the country, in the United Nations, in the Organization of Islamic Conference, in the talks between Afghanistan and Pakistan in Geneva as well as in the gatherings of fraternal parties and international social organisations.

The number of foreign delegations which have visited Afghanistan has increased by three times and political relations have been established with Zimbabwe and Cyprus.

The plenum once again invited all the real democrats and patriots to put an end to war and bloodshed and to join hands with other Afghans for progress, democracy and independence, said general secretary of the PDPA CC at the session.

Soltan 'Ali Keshtmand, Politburo member of the PDPA CC and chairman of the Council of Ministers of the DRA, attended the party session of the Tenth Precinct of Kabul City. We are closing the path of war, said S.A. Keshtmand at the session. Much importance has been given to the economic development of the country at the plenum. Economy, S.A. Keshtmand continued to say, is a powerful means for the realisation of national reconciliation.

Several other Politburo members attended the other party sessions held in different precincts of Kabul City. They explained to the audience about the different aspects of the decisions of the plenum as well as regarding the perspectives of the policy of national reconciliation for the consolidation of peace and security throughout the country.

The duties and responsibilities of the party committees and social organisations were specified at these sessions.

Hikmatyar Says Western Media Undermining Cause

OW090903 Tokyo KYODO in English 0853 GMT 9 Jun 87

[Text] Islamabad, June 9 *Kyodo* — A prominant Afghan guerrilla leader, Gulbuddin Hikmatyar, has accused British and French intelligence agencies, the British Broadcasting Company (BBC) and Voice of America (VOA) of undermining Afghan resistance by supporting the return of former Afghan King Zahir Shah.

He told a gathering of his own group that "these organizations were sponsoring and publicizing groups who do not want mujahidin (freedom-fighters) to unite under one elected government." He made the remarks at his headquarters near Peshawar to commemorate the death of a leading commander, Jalaluddin, in fighting in the Jaji area of Paktia Province recently.

The seven-party alliance of the Afghan mujahidin have announced elections for a united leadership but three fundamental groups supporting former King Zahir Shah oppose the elections on the grounds that it would weaken the struggle against the Soviet occupational forces and trigger a civil war.

Hikmatyar claimed that those opposing elections were "weak and unpopular, bidding to capture power through the back door and who knew they would be wiped out at the elections."

The Afghan guerrilla leader said British intelligence service MI-6 and the French intelligence network were sponsoring and publicizing Zahir Shah and groups supporting him. He levied the same charges against the BBC and the VOA.

Hikmatyar rejected the idea of stationing United Nations troops in Afghanistan as a part of the Soviet pullout agreement, but suggested the establishment of a temporary, impartial government, acceptable to the Afghan mujahidin, to oversee the Soviet withdrawal before initiating an interim mujahidin government.

Denounces Plot To Return Ex-King

LD101910 Tehran IRNA in English 1803 GMT 10 Jun 87

[Text] Islamabad, June 10, IRNA — Leader of Afghanistan's Islamic Party, Gulbuddin Hikmatyar accused intelligence organisationsof Britain, France and Soviet Union Tuesday of preparing grounds to return former King Zahir Shah to the Muslim country.

Hikmatyar made the remark in a ceremony commemorating martyrdom of an Afghan mujahidin commander here where he said the B.B.C. and Voice of America (VOA) are trying to weaken resistance of the Afghan Muslim revolutionaries by sowing discord among them. He furthermore reiterated armed struggle will continue till the complete withdrawal of the Soviet forces from Afghanistan.

Spokesman Denies Indian Allegation on Rebels

BK111554 Dhaka Domestic Service in English
1530 GMT 11 Jun 87

[Text] Bangladesh has described as tendentious, completely baseless, and fabricated an Indian press report about the involvement of Bangladeshi security officials with the Tripura National Volunteers rebels.

A Foreign Office spokesman said in Dhaka that such stories or allegations could only be described as totally baseless and figment of malicious imagination.

Prohibitory Orders Issued on Parliament Session

BK090442 Dhaka Domestic Service in English
0110 GMT 9 Jun 87

[Text] The carrying of all kinds of arms, ammunition, and explosives, and holding of rallies and demonstrations in and around the Jatiya Sangsad Bhavan [Parliament building] at Sher-e Bangla Nagar in Dhaka have been banned from tomorrow.

A police press release says the measures have been taken to ensure peace and discipline in the area during the coming budget session.

The order will remain effective till the end of the Sangsad session or until further order.

The areas which fall under the order are from (Samali) cinema hall in the west to Dhanmandi Road 27 and Mirpur Road turning, old airport in the east to Bangla Motor-Maiman Singh Road, Manik Mian Avenue and Indira Road in the south, and [words indistinct] near the Planning Commission in the north.

Besides, the (?whole of) Sangsad Bhavan area and all adjacent bylanes, including the road connecting Mirpur Road, will also fall under the order.

A Press Information Bureau handout says entry of the members of public into the Sangsad premises has been prohibited during the session.

People from all walks of life have been requested not to enter the premises of the Sangsad without valid pass during the period.

STATESMAN Cites Liu Shuqing Remarks on Relations

BK111437 Calcutta THE STATESMAN in English 8 Jun 87 p 1

[Text] The next round of Sino-Indian border talks would be held in Delhi in the second half of this year, Mr Liu Shuqing, the Chinese Vice-Foreign Minister, said in Calcutta airport on Sunday. The Chinese Minister arrived in the city from Bangkok on his way to Bhutan where he will discuss bilateral relations including China-Bhutan border problems.

Mr Liu was asked by reporters if there was truth in recent newspaper reports that China had massed troops at the Sino-Indian border near Tibet in recent times and that there had been casualties in a clash between Chinese troops and Indian border guards. "Do you believe these reports?" the Minister asked reporters. He denied the reports and said that possibly some interested quarters were spreading remours about the massing of Chinese troops at the border and about a clash. "There had not been any clash at the India-China border recently nor do I expect such unpleasant happening in the future."

To support his argument, Mr Liu pointed to one member of his 10-member delegation who was from Lhasa, the capital of Tibet. The member from Lhasa said it was all quiet in Tibet and added that the tourist traffic there had increased by 3,000 during the past three months compared to the corresponding period last year.

The Chinese Minister said that China had all along been maintaining that the border issue with India would have to be resolved through mutual consultations, understanding each other's problems and in a spirit of accommodations. China, he said, never followed the "borderline policy" in slowly occupying Indian territory at the Sino-Indian border, he emphasized.

According to him, China and India were friendly countries. Although the border problem was a complicated one, it could be resolved if the two sides made a concerted effort, he said. As far as China was concerned, it was against a military solution to the problem. It favoured to continue the dialogue between the two countries.

Dixit Presents Proposals For Jaffna Relief

BK111605 Delhi Domestic Service in English 1530 GMT 11 Jun 87

[Text] India's high commissioner in Colombo, Mr J.N. Dixit, today presented certain specific proposals to the Sri Lankan foreign minister, Mr Hameed, on evolving modalities for expeditious dispatch of relief supplies to Jaffna Peninsula. The proposals take into account the concern of both the countries. A spokesman of the External Affairs Ministry in New Delhi described the discussion as cordial and positive. Mr Hameed said the proposals will be considered speedily and a response will be given very soon. It is hoped that further discussions will take place in a day or two.

Meanwhile, the minister of state for external affairs, Mr Natwar Singh, met the Tamil Nadu chief minister, Mr M.G. Ramachandran, in New Delhi today and discussed with him further relief supplies to Tamils in Jaffna. The state food minister, Mr S. Ramachandrun, was present at the meeting.

Police Unearth Terrorist Bomb Factory in Punjab

BK111251 Delhi Domestic Service in English 1230 GMT 11 Jun 87

[Text] The Punjab police have unearthed a bomb manufacturing factory in Basti Jodhewal of Ludhiana District. A police spokesman told newsmen in Ludhiana today that 600 detonators, including 300 ready for use and 8 plastic containers with 4 kg of phosphorous and 4 cartons of sodium sulphate, were recovered. Its owner, a terrorist Lavinder Singh, has been arrested. During interrogation, he confessed that he had planned to place the bombs at public places. He also admitted to have supplied explosives for the bomb blast at a Jullundhur cinema hall which claimed four lives early this month.

Gurkha Front Calls For Strike To Secure Homeland

BK110624 Hong Kong AFP in English 0517 GMT 11 Jun 87

[Text] New Delhi, June 11 (AFP) — Gurkha militants have fired what appears to be the first salvo in a "final war" against the government by calling for a 13-day general strike in the hypothetical "Gurkhaland" they seek in the north-east.

Subhash Gheising, president of the Gurkha National Liberation Front (GNLF), said Wednesday that he had been forced to call the strike, scheduled to start June 20, in the absence of an expected invitation for talks from New Delhi, reports said here Thursday.

The state within India for which the GNLF has been fighting since May 1986 would comprise the tea garden hill towns of Darjeeling, Kurseong, Kalimpong, Jalpaiguri and Duars, all in West Bengal state.

Mr. Gheising, who is under growing peer pressure to step up the campaign, said a March election to the state assembly in which only a handful of votes were cast in Darjeeling was a "referendum" for a Gurkha state. He said it was "regrettable" that the federal government of Prime Minister Rajiv Gandhi had failed to recognise this and was helping West Bengal's Marxist administration "crush" Gurkhas, the *United News of India* (UNI) reported.

Mr. Gheising, a former Indian Army soldier, said on Tuesday that the GNLF would launch a "final war" against New Delhi to press its "Gurkhaland" demand. Observers here saw the strike call as the first salvo.

The West Bengal government said in the state capital Calcutta Wednesday that Tuesday's threat "exposes the basic nature of the movement, which is nothing but insurrectionist." A West Bengal spokesman said New Delhi should "put an end to the movement once and for all, making all concerned realise that only a truly democratic movement will be allowed," *The Hindustan Times* reported Thursday.

Mr. Gheising said Tuesday that the GNLF's campaign was drifting out of his hands with hardliners planning an armed struggle for an independent "Gurkhaland" nation.

"We read in this statement an obvious attempt to panic New Delhi to grant Gurkhaland," the spokesman said. He added that Gurkhas were realising that the "dream of Gurkhaland is an absurdity" and a "misadventure."

In New Delhi, there was no immediate reaction from the federal government.

Nearly 100 people have died in violence linked to the GNLF movement, launched on the grounds that Gurkhas were suffering discrimination at the hands of the government. The GNLF alleges that the three million hill people of Nepalese origin in north-eastern India are treated like second class citizens in a neglected area, but the Indian Government denies this.

Khamene'i Sermons Claim U.S. 'Vulnerable' in Gulf

LD121140 Tehran Domestic Service in Persian
1030 GMT 12 Jun 87

[Text] Religious-political Friday prayers were held throughout the country with the participation of the masses. The Muslim people of Tehran taking part in the Friday prayers at the University of Tehran and adjoining streets said prayers under the imamate of Hojjat ol-Eslam val-Moslemin Seyyed 'Ali Khamene'i.

In the first prayer sermon, Khamene'i referred to the recent propaganda activities of U.S. President Reagan, who claims that he is not bluffing. He said: These remarks and all such propaganda are aimed at intimidating our nation. However, they should know that even if they can intimidate other nations or leaders, our nation and our officials will never be afraid of all this clamor nor will they retreat one step from their position.

Hojjat ol-Eslam val-Moslemin Seyyed 'Ali Khamene'i added: Reagan's attendance at the summit conference of the seven industrialized countries and his returning empty-handed from that conference (?shows that) the industrialized countries are not prepared to ransom their own interests because of U.S. adventurism in the Persian Gulf. The U.S. propaganda clamor has subsided for the moment, and we are now voicing our valid positions so that the United States and its allies might hear them.

They should know that although the United States is a superior military power, the issue is that the Persian Gulf is not the place for a huge naval maneuver and that the U.S. fleet in the Persian Gulf is extremely vulnerable. Even if one U.S. aircraft carrier is damaged in the Persian Gulf with the equipment and capabilities we have at our disposal — about which the United States has no information — then the nations and countries of the world would not attach any significance or importance to the United States, and the United States will be disgraced in the eyes of the world.

The chairman of the Supreme Defense Council stressed: In addition to the missiles we have at our disposal — the United States does not know how these missiles have been produced or how they have been deployed — we have other equipment and capabilities, and if we make use of them, the fleet in the Persian Gulf will be as vulnerable to that equipment and those capabilities as it is vulnerable to missiles. Nevertheless, we declare that we will not be the first to provoke confrontation in the Persian Gulf. The industrialized countries of the world who are worried about the security of the Persian Gulf should know that the Iraqi regime is responsible for insecurity in the Persian Gulf.

Noting the fact that in their recent session in Venice, the industrialized countries have referred the issue of studying security in the Persian Gulf to the United Nations, the chairman of the Supreme Defense Council stressed: The Security Council should prove its impartiality or the industrialized countries should not expect us to obey the decisions of the Security Council. If the Security Council acts in a wise and impartial way regarding the issue of the safety of ships in the Persian Gulf, then the issue will have a different outcome.

Referring to a proposal by one of the countries to the effect that Iran and Iraq should be asked not to attack any ships in the Persian Gulf, the chairman of the Supreme Defense Council said: This is a good proposal, and from the start we have been and still are in agreement with it.

Khamene'i stressed: No matter what happens in the Persian Gulf it will not have any effect upon our land borders or on the battlefields, and our fighters will deliver crushing and successive blows against Iraq's broken-down war machine.

In his second sermon, Khamene'i stressed the need for the widespread participation of the masses in the creation and expansion of educational institutions needed by us. Hojjat ol-Eslam val-Moslemin Khemene'i asked wealthy people to actively participate in assisting the Ministry of Education and Training to establish the schools needed by various classes of society.

In conclusion, the Friday prayers leader of Tehran referred to the need for making appropriate plans for the leisure pursuits of students during the summer. On the occasion of Environment Week, he asked the people and officials to do their utmost in protecting the environment.

IRGC Deputy Chief Threatens To Use Missiles

LD111809 Tehran Domestic Service in Persian
1630 GMT 11 Jun 87

[Text] Islamic Revolution Guards Corps [IRGC] Deputy Commander Afshar has termed Reagan's claims about the U.S. targeting Iran's missile sites near the Strait of Hormuz a political bluff. He added: The IRGC has boats [as heard] equipped with missiles which can target any vessel attempting to commit an act of aggression against Iran from a distance.

The IRGC deputy commander, who has recently observed the IRGC Navy's readiness in the Persian Gulf and the Oman Sea, said: If the Americans try to land forces on Iranian and Persian Gulf islands, or on Iranian bases, the IRGC Navy, which enjoys a high combat morale, will fully destroy all their facilities by using missile systems.

He called [claims about] attacks on Iranian missile sites near the Strait of Hormuz and the involvement of U.S. Navy units in the Persian Gulf a political bluff and propaganda trick by U.S. capitalists. Afshar said: Considering the particular geography of the Persian Gulf, no power can bring in vessels without ample support and supplies. Given the Gulf's size, supplying such units will not be easy, thus forcing foreign powers to involve their colossal fleets. The same fleets will be vulnerable targets for shore-based and airborne missiles.

In conclusion, the IRGC deputy commander said: The Americans are trying to regain their lost status -- for making contact with Iran --with propaganda blackmail to be used as a publicity cover for the lack of support by the United States' European allies to station foreign forces in the Persian Gulf.

Press Analyzes U.S.-Europe Split on Gulf Policy
LD101740 Tehran Domestic Service in Persian
1200 GMT 10 Jun 87

[From the "Press Review"]

[Text]"The Venice Meeting — Reagan's New Defeat" is the title of the editorial in today's edition of the daily *Jomhuri-ye Eslami* which we present in this part of the program.

The newspaper *Jomhuri-ye Eslami* writes: America does not expect nor does it request the military support of its allies to escort oil tankers in the Persian Gulf. It is merely demanding token support from these allies in the field of freedom of shipping at the Venice meeting.

Frank Carlucci, the newly appointed national security adviser, announcing this in Venice, claimed that America still possesses the military strength to stand alone in the Persian Gulf and that it has no need of it European allies' support; but what it does want is diplomatic support, moral support, cooperation, and coordination with its allies in other ways.

Reagan's newly appointed adviser, who replaced Poindexter following the McFarlane scandal, is adopting such a position in order to produce a request acceptable to Washington's Japanese and European allies. He explicitly states that America is not requesting military support from its European allies in the Gulf and that in principle it does not need such help.

Carlucci's statements contradict the dictatorial demands of U.S. Secretary of Defense Weinberger at the recent NATO meeting, demands which were later reduced to Washington's pleas for help at the same meeting. Casper Weinberger went to the meeting entertaining a thousand hopes and believing that none of America's allies opposed his dictatorial demands. But in the very first moments of the meeting he realized that America's NATO allies were not going to agree with such a foolish policy. Washington's dictatorial demands turned into beseeching requests, which revealed on the one hand America's feebleness and on the other hand the lack of any agreement and unity in NATO. The fact is that America feels it is alone and is looking for partners in crime. It wants to avoid committing mischief all by itself; it wants to have accomplices.

News and media reports of world arrogance on the eve of the Venice meeting indicate that Reagan began his visit hoping to be able to drag his allies into a major piece of adventurism in the Persian Gulf. But the cold reception given by Reagan's allies to this proposal forced Reagan's advisers to realize that America's demands regarding the Persian Gulf will not be endorsed by the Venice meeting. It is precisely for this reason that Washington put aside any proposal about military and even political cooperation in the Persian Gulf, and has asked for a token support.

Reagan and his advisers had high hopes for the Venice meeting, but now they feel that all the propaganda and hue and cry has resulted in a defeat for them and this has expanded the dimensions of America's propaganda-political defeat at the Venice meeting.

The fact is that the gathering of the heads of the seven Western industrial countries, from the meeting in Guadeloupe to the meeting in Venice, has always consistently, without exception, been associated with debate on the Islamic Revolution of Iran and its effects. Debate on this topic, as the principal point of negotiations, has put problems related to it on the agenda of the negotiations of the seven Western industrial countries.

During all this time America has always tried to portray the Islamic Revolution as a serious threat to all of the West and thus to force its allies to adopt hostile positions against the Iranian nation. But the cold response of Washington's allies proves that Europe and Japan are opposed to Reagan's thinking, and that they do not believe that the militarism and the foolishness proposed by Reagan are the only solutions for solving the problems the West has with the world Islamic movement.

The other meaning of such explicit opposition by Japan's and Washington's European allies — an opposition based on principles — is the fact that they believe it is better for them to separate their case from that of Washington and to refrain from complicity in America's mischief in the Persian Gulf.

Now the reason for the retreat of Reagan and his advisers from their request for joint military action in the Gulf can be revealed in a better light. That Reagan's newly recuited adviser says that America does not expect the military cooperation of the West in the Persian Gulf indicates that Washington has been convinced that the West will never provide military cooperation in this field, and that America must expect nothing in this regard.

If Reagan and his advisers had been certain that America's joint military intervention in the Gulf was to face full defeat then they might never have raised such a point from the start, so as not to be forced to alter their positon and retreat during the course of the Geneva meeting [as heard].

It seems that Europe and Japan have arrived at the conclusion, by a simple calculation, that if the situation in the region is critical and if the U.S. is supported in its effort to set the region ablaze, then their interests will be endangered more than the interests of others. On the one hand they lose their export market, and on the other hand they will not their oil requirements so easily.

Reagan was dismayed at the Venice meeting and this was not unexpected. Reagan must have recalled the day when Weinberger returned from the NATO meeting without hope and feeling disgraced.

Reagan and his inexperienced advisers should have thought that if Europe's military representatives and the NATO ministers of war oppose and totally reject military action, then certainly Europe's political figures would not agree with it. Those who think in military terms and are closer to America's militarist thoughts rejected such a proposal. So how could Reagan and his inexperienced advisers expect to convince European politicians in this matter?

Now it is timely to discuss two principal points: One is the fact that oil belongs to the region's countries and nations and that the

industrial West must view itself simply as a buyer of this commodity and no more. If the interests, industry, and economy of the West are based on Middle East oil and if the West and its industries need Middle Eastern oil, then it is the West which must realize its needfor the friendship with the nations of the region. It is the West which must correct its policies in line with the conditions of the Persian Gulf and the mentality of the nations of the region, rather than imposing conditions on the region in line with its own policies and interests and in a way that it desires.

America came into the arena with the foolish idea that since it needs Middle Eastern oil, it must view Middle Eastern oil as part of its vital interests and also place the Middle East within its national security zone. Now everybody can see that such a policy has met total defeat and even America's allies do not accept it. Those interests whose security entails bullying and resorting to militarism cannot be regarded as interests — they are capricious designs which must be rebuffed.

If the West is thinking of its legitimate interests, and if it is to benefit from its cooperation with the countries of the region, it must refrain from its domineering ways and resorting to force and bullying. America's allies rejected this policy; this could be a step in accepting the realities of the region. If there are countries in the West which believe in legitimate interests, fair profits, and a logical relationship with Muslim nations and countries of the oil-producing region of the Islamic world, then they can separate their case from the case of the domineering powers; they can adopt a logical policy toward the region in terms of reciprocal interests, and prove in practice that they do not intend to misuse their political and economic relations against the Muslim nations of the region.

The second point is this: If Europe and Japan have been motivated in their opposition to Reagan's proposals by these objectives, they must be welcomed; they must be congratulated for having attained such a realistic position. But if they believe that any mischief by America in the region — even if it is not associated with their direct participation — cannot harm the overall interests of the industrialized West, then they must be convinced that the warrior Basij and Iranian students are ready to sacrifice their lives carrying out martyr-seeking operations in the Persian Gulf, or any other place where they can threaten the interests of America and its allies. This warning, valid or otherwise, should never be tested by America and its allies.

Khamene'i Calls Pilgrims Symbol of Revolution

LD111345 Tehran Domestic Service in Persian 1030 GMT 11 Jun 87

[Text] According to a correspondent of the Central News Unit, Mr Seyyed 'Ali Khamene'i, president of the Republic and the chairman of the Supreme Council of the Cultural Revolution, addressed the political-ideological hajj congress. In his speech President Khamene'i referred to the fact that sending of 150,000 people from the Islamic Republic of Iran on the hajj was an indication of the importance of this divine duty in the Islamic Republic of Iran's regime.

He said: Today the main characteristic of the hajj is the political movement of Iranian pilgrims; this movement should be improved every year. He said the pilgrims must have much wider presence and that the pilgrims should inform the whole world of their moving political message.

He said it is necessary that the Islamic Republic of Iran be explained to world Muslims in a direct manner and without any intermediary. He said the behavior and serenity of the pilgrims is a symbol of the Islamic revolution. Those who have been brought up in the Islamic Republic of Iran can, with direct communication, explain the effects of the great developments in their regime to the pilgrims from other countries. Iranian pilgrims can talk to others about the war, this young and enthusiatic generation, and the self-denying morality of the people as well as other dimensions of the Islamic revolution.

At the end, referring to the political defeat of the United States in securing the support of its allies regarding the problem of the Persian Gulf, the president of the Republic said: The people of the world must know that the Islamic Republic is strong and that the pilgrims to the sacred house of God are the qualified representatives of this regime at the hajj ceremonies.

According to this report, at the opening ceremonies of the briefing session for the hajj officials from throughout the country, Hojjat-ol Eslam Imam Jamarani, the representative of imam and supervisor of the Hajj, Endowments, and Charity Affairs Organization, referred to the fact that after the victory of the Islamic revolution, the political dimensions of the great hajj congress have been revived. He hoped that this year's hajj ceremonies will be performed better than in the previous years and that the pilgrims of the House of God will be able to perform their duties well.

Tehran Office of Japanese Trading Firm Bombed

OW120025 Tokyo KYODO in English 0016 GMT 12 Jun 87

[Text] Tehran, June 11 *Kyodo* — A group of four men armed with handguns raided an Iranian subsidiary in Tehran of a major Japanese trading firm, Mitsui and Co., and exploded a bomb in an area at back of its office Wednesday night (early Thursday morning Japan time), Mitsui sources said.

Four Iranian employees were working at the office when the incident occurred at 8:40 p.m. but none of them was injured, according to the sources. They said all 14 Japanese employees of Mitsui and Co. (Iran) had gone home before the explosion, which destroyed windowpanes of the office located in downtown Tehran. No other damage was reported.

The bombers, believed to be Iranians, called themselves communists and shouted slogans against Japan's economic influence over Iran, witnesses said. The sources said the four also poured gasoline on the second floor of the office and left another explosive device in its parking lot.

The witnesses said the bombers shut down the road in front of the Mitsui office to traffic, telling the people in the area to flee, before they stormed into the building.

The incident alarmed Japanese Embassy officials now preparing for a visit to Tehran by Japanese Foreign Minister Tadashi Kuranari beginning Sunday for talks with Iranian leaders which are expected to center on the Iran-Iraq war. Kuranari is coming here after a brief visit to Morocco. He is on his way home from Venice, Italy, where leaders of the seven major Western economic powers in their three-day summit meeting which ended Wednesday issued a statement calling for an immediate end to the Gulf war, now in its eighth year.

French Expulsion of 2 Iranian Students Viewed

LD111458 Tehran Domestic Service in Persian 1030 GMT 11 Jun 87

[Text] According to the French news agency, two Iranians who were detained in Lyons left that city and are to to be sent back to Tehran. The French Government last Wednesday, claiming to combat terrorism on a nationwide level, detained 57 people. According to this report, one of the Iranians, who did not hide his commitment to the Islamic Republic of Iran, holds an engineering degree from the United States and was continuing his studies in Lyons. In an interview with the publication Lyon *Liberation* [as heard], he showed his passport with a U.S. visa and said that France wants to expel him for no reason. He said he had planned to go to the United States and lecture about his research subject at an international congress, thus making the point that the United States had carried out its own investigations and given him a visa. He said he has been under surveillance by the French security police since 1986, and that his correspondence was being monitored.

The other Iranian also commented on the circumstances of his detention. He said that when the police came to his home, he had gone to meet a former Iraqi diplomat who had escaped from Iraq. This Iranian's French wife who converted to Islam before marrying him said that her husband is merely engaged in writing his doctorate on Islam and that his detention is illegal. She noted that her husband was not engaged in political activity and that their only crime was that they were Muslims.

Reportage on Hungarian Deputy Minister's Visit

Meets With Officials

NC070837 Tehran Domestic Service in Persian 0330 GMT 7 Jun 87

[Text] Hungarian Deputy Foreign Minister Nagy, who is currently on a visit to Iran, met with the deputy minister for economic and international affairs of our country's Foreign Ministry yesterday and discussed economic ties and other topics of mutual interest. During this meeting, the two sides referred to the two countries' cordial political and economic ties and expressed the hope that they would be strengthened further. In the course of the meeting, Mr Larijani alluded to U.S. adventurism in the Persian Gulf and declared the Islamic Republic of Iran's readiness to counter all kinds of plots. The Hungarian side also deemed the escalation of tension in the region as a source of apprehension.

The Hungarian deputy foreign minister met the deputy minister for cultural and consular affairs of our country's Foreign Ministry last evening. During the meeting, the two sides expressed satisfaction at the progress in furthering cultural and consular ties and reached agreement on cooperation in the radio and television fields, athletic and student exchanges, and other cultural exchange programs as well as on subjects of mutual interest.

Meets With Besharati, Others

LD071926 Tehran IRNA in English 1902 GMT 7 Jun 87

[Text] Tehran, June 7, IRNA — Visiting Hungarian Deputy Foreign Minister Gabor Nagy met with Acting Foreign Minister 'Ali Mohammad Besharati here Sunday. Besharati said any naval engagement in the Persian Gulf will quickly spread to littoral countries, an eventuality Iran does not want. The Iranian official said that if the U.S. attempts to intervene militarily, it will be made to regret its action. He termed the issue of the imposed war and that of the Persian Gulf as separate issues, stressing "we will continue fighting in the Iraqi-imposed war till the Baghdad regime is toppled."

In response, the Hungarian official expressed satisfaction with Tehran-Budapest relations and stated his country's views on various issues. Nagy also met with Deputy Foreign Minister for Cultural Affairs Javad Mansuri, the same day. A two-year cultural exchange protocol was signed between the two sides.

In another meeting, the hungarian official conferred with Minister of Agriculture 'Abbas 'Ali Zali here today on issues of mutual interest including joint cooperation commission to be shortly held in Iran. The two sides also called for long-term cooperation between Iran and Hungary in various fields including industry, fisheries and agriculture.

Brings Message to Velayati

LD072109 Tehran IRNA in English 2023 GMT 7 Jun 87

[Text] Tehran, June 7, IRNA — Visiting Hungarian Deputy Foreign Minister Gabor Nagy met with Foreign Minister 'Ali Akbar Velayati here Sunday, where he conveyed a message to him from his Hungarian counterpart.

Nagy said at the meeting that Tehran-Budapest relations have expanded considerably since victory of the Islamic revolution and especially after the visit of Iranian Premier Husayn Musavi to that country. Nagy emphasised on his country's willingness to expand relations between the two countries in all fields. The Hungarian Foreign Ministry official said that the war should not be internationalized, and that tension must be eliminated. He pointed out that the U.S. military presence in the region must be checked.

"We have many viewpoints and goals in common vis-a-vis imperialism," the Hungarian official said.

In response, Velayati expressed satisfaction with positive relations between Iran and Hungary and hoped that bilateral ties would expand in political and economic fields especially in agri-

culture. The Iranian minister briefed the Hungarian deputy foreign minister on situation of the region and emphasised on Iran's opposition to superpowers interference in the Persian Gulf.

Confers With Sheykh ol-Eslam

LD080844 Tehran IRNA in English 0815 GMT 8 Jun 87

[Text] Tehran, June 8, IRNA — Visiting Hungarian Deputy Foreign Minister Gabor Nagy and Iran's Deputy Foreign Minister for Political Affairs Hoseyn Sheykh ol-Eslam held the first round of talks here Sunday evening. Both sides discussed in detail the mutual relations and ways of further expanding them. They expressed keeness to develop Iran-Hungary relations in all fields.

Nagy said his government was well aware as to who had initiated the War, and deplored the moves of those forces who wish to internationalise the Iraqi-imposed war. On U.S. policy in the Persian Gulf region including its recent provocations, the Hungarian official who arrived here Saturday termed this as a pretext for increasing U.S. military presence in the region.

In response Sheykh ol-Eslam reiterated that Persian Gulf security and the Iraqi-imposed war are two entirely seperate issues. "While we are fully determined to continue our legitimate defence until materialisation of our declared objectives, we have repeatedly stressed the necessity of preserving security in the Persian Gulf," said Sheykh ol-Eslam. "We are against superpowers presence in the region and will firmly counter any plot by the U.S. or any other country," Sheykh ol-Eslam told his Hungarian counterpart.

Meets Construction Jihad Official

LD090115 Tehran IRNA in English 1746 GMT 8 Jun 87

[Excerpt] Tehran, June 8, IRNA — Deputy Minister of Construction Jihad (National Construction and Development) Lahijanian in a meeting with visiting Hungarian Deputy Foreign Minister Gabor Nagy here today recounted typical examples of his ministry's success in enlisting devoted human resources for national self-sufficiency projects.

The Iranian official cited instances of exploiting the expertise of Iranian engineers and technicians both for war as well as for development projects in towns and under-privileged villages throughout the country. He said as a result of working at and near the battlefronts schooled and endowed Iranians had become far more proficient in their specialization, and that they are now capable of implementing complex development projects at the national level.

In response the Hungarian official expressed appreciation to Lahijanian for the information on the activities of Iran's Construction Jihad Ministry and noted that on the strength of the information available to him, the Construction Jihad Ministry in Iran is committed to the masses and to promotion of their welfare. He said Hungary would not hesitate to share its experiences for self-sufficiency projects with the Islamic Republic. [passage omitted]

Departs for Budapest 8 Jun

LD092114 Tehran IRNA in English 1705 GMT 9 Jun 87

[Text] Tehran, June 9, IRNA — Visiting Hungarian Deputy Foreign Minister Gabor Nagy held his second round of talks with his Iranian counterpart, Hoseyn Sheykh ol-Eslam here Monday. Among topics discussed during the meeting were the latest developments in the Persian Gulf and the world including the Afghan issue and other matters of mutual interest. The Hungarian deputy foreign minister left here for Budapest Monday night.

Allegations of Kurdish Area Shelling Refuted

LD120841 Tehran IRNA in English 0705 GMT 12 Jun 87

[Text] Tehran, June 12, IRNA — Iran today strongly refuted Iraqi allegations that Iranian forces had shelled some villages and areas in Al-Sulaymaniyah Region in northern Iraq. A spokesman for the War Information HQ. told IRNA that Kurdish Muslims in [words indistinct] of the Islamic Republic of Iran and "therefore these Iraqi charges are obviously baseless." The spokesman said it is the Baghdad regime which has embarked on shelling and even chemically attacking Kurdish populated areas in the region following the recent people's uprising in northern Iraq. He said by accusing Iran, the Iraqi rulers aim at exonerating themselves from the crimes they have committed so far.

The WIH spokesman then urged international organisations and institutions which claim to be supporting human rights, to visit northern Iraq, its devastated villages as well as victims of Iraqi chemical attacks and "fulfill their duty at least in reflecting these bitter realities."

Communique No 2,864 Reports Latest Fighting

LD111613 Tehran IRNA in English 1602 GMT 11 Jun 87

[Text] Tehran, June 11, IRNA — Iranian Muslim combatants rained shells on Iraqi military and engineering units who vainly attempted to establish a foothold in the Helaleh region, western fronts last night. All enemy activities were frustrated, said a military communique here Thursday.

Communique number 2864 of the joint staff command of the armed forces said that exchange of artillery fire raged on between the Muslim combatants and Iraqi forces in Zayd and Bubiyan regions, southern fronts, as a result of which enemy forces sustained heavy casualties and their fire was silenced. Iran's gendarmerie forces shelled Iraqi positions in southern fronts yesterday, killing or wounding several Ba'thist troops, said the communique. Ten gun emplacements of the enemy forces were also destroyed in the shelling, it added.

The communique said that Iraqi troops sustained heavy damage in Nahr 'Anbar and the region opposite Sumar, when Muslim combatants pounded Iraqi vehicle columns in the western fronts.

Two Iraqi soldiers surrendered themselves to the Muslim forces of Iran in one of the southern operational regions and requested asylum in the Islamic Republic, it concluded.

Sri Lankan Education Minister Meets President

BK111540 Karachi Domestic Service in Urdu 1500 GMT 11 Jun 87

[Text] Ranil Wickremasinghe, the Sri Lankan education and youth affairs minister, called on President Mohammad Ziaul Haq in Islamabad today and held talks with him on matters relating to cooperation in the fields of education, science, and culture.

The president assured him that Pakistan will welcome every opportunity to further stabilize the existing friendly relations between the two countries. Referring to his visit to Sri Lanka in 1985, the president said that cooperation between the two countries has consistently expanded since then.

DAWN Outlines Proposed National Budget for 1987-88

BK110800 Karachi DAWN in English 5 Jun 87 p 1

[Proposed 1987-88 national budget carried under the headline "Budget at a Glance" with no further introductory material]

[Text] Rupees in Million

1. REVENUE: 1987-88 Budget
A) TAX REVENUE 68790.0
Taxes on Income and Wealth
(Direct Taxes)..... 12193.0
Taxes on Commodities and Transactions
(Indirect Taxes) 56597.0
B) NON-TAX REVENUE 40296.6
Income from Property and Enterprise ... 23074.3
Receipts from Civil Administration and
Other Functions 3960.6
Miscellaneous (Surcharges etc.) 13261.7
C) TOTAL GROSS REVENUE RECEIPTS (AB) 10986.6
Less: Provincial share in taxes 15149.1
D) NET FEDERAL REVENUE (1) 93937.5

2. CURRENT EXPENDITURE 103737.3
General Administration 5249.9
Defence 44252.3
Law and Order 2247.7
Community Services 2074.6
Social Services 4434.2
Economic Service 1201.0
Subsidies 5673.0
Debt Servicing, Investible fund and
Grants 37937.1
Unallocable 1424.5
Economy Cut ..... (-)757.0

3. FEDERAL REVENUE ACCOUNT DEFICIT
(1 MINUS 2) 9799.8

4. NON-OBLIGATORY GRANTS TO PROVINCES 11518.8

5. SURPLUS AVAILABLE FOR DEVELOPMENT
EXPENDITURE ..... (-)21318.6

CAPITAL: [No number as published]
A) Internal Resources (12) 8994.5
1. Federal Government 5115.5
(i) Revenue Surplus ..... (-)21318.6
(ii) Net Capital Receipts 26434.1
(a) Capital Receipts ..... (54723.8)
(b) Capital Disbursement ..... (28289.7)
2. Self-Financing by Autonomous
Bodies 3879.0
B) External Resources 27352.4
(i) Project aid ..... (17261.8)
(ii) Non-Project Aid ..... (10090.6)
Total (AB) 36346.9
C) DEVELOPMENT EXPENDITURE
(ADP) 53000.0
(i) Federal 38500.0
(a) Federal Government ..... (34815.0)
(b) Special Development Programme
for Schemes identified by:
(i) Senators/MNAs ..... (1500.0)
(ii) MPAs ..... (1000.0)
(ii) Special Development
Programme ..... (1185.0)
(iii) Provincial ADPs 14500.0
Punjab ..... (7565.0)
Sind ..... (3046.0)
NWFP ..... (2472.0)
Baluchistan ..... (1417.0)
D) DEVELOPMENT GRANTS TO PROVINCES FOR
EDUCATION 6695.7
Total Development Expenditure (CD) ... 59695.7
GAP (AB) - (CD) 23348.8

Revenue Board Tax Measures

BK111530 Karachi DAWN in English 5 Jun 87 p 1

[Text] June 4: Following is the CBR [Central Board of Revenue] summary of tax measures and revenue effect 1987-88:

Summary of tax measures: 1987-88

A. [Direct Taxes] Income Tax:

(1) It has been proposed that all tax payers may be required to pay a surcharge (to be known as Defence Tax) at the rate of 10 per cent of the amount of Income Tax and Super Tax and Wealth Tax payable by them.

Expected revenue gain is Rs1200 million.

(2) Relief is proposed to be provided to registered firms through the introduction of a new rate card.

The loss of revenue is expected to be Rs218 million.

(3) The exemption limit for individuals etc is proposed to be raised from Rs24,000 to Rs30,000.

The expected revenue loss is Rs190 million.

(4) For the levy of penalty only the actual income concealed is proposed to be taken into account instead of the entire difference between declared and assessed incomes.

(5) It has been proposed to allow a five-year tax holiday to undertaking owned by companies which are engaged in the exploration or extraction of coal in the specified less-developed areas of the country and which are given mining leases on or after July 1, 1987. Coal mining may also be elibible for tax credit under BMR [expansion unknown] in respect of existing mines:

Loss of revenue is estimated at Rs20 million.

(6) The limit on investment in monthly income savings account scheme is proposed, for purposes of tax exemption, to be raised from Rs500 per month to Rs1000 per month:

Loss of revenue is expected to be Rs5 million.

(7) Foreign banks having branches in Pakistan are proposed to be exempted from the present witholding provisions in respect of return on finance to these branches made by resident loanees.

(8) It has been proposed that where the tax demand is reduced in appeal, the penalty imposed for non-payment of tax may be reduced automatically in proportion to the reduction in tax demand.

(9) Banks and financial institutions are proposed to be clearly excluded from the benefit of tax credit in respect of share investment in less developed areas.

(10) Technical fees earned by non-residents are proposed to be taxed at a fixed tax rate of 20 per cent of the gross amount of such fees.

(11) Cash loans of an amount exceeding Rs50,000 if not received through a crossed bank cheque, are proposed to be treated as income to the recipient.

(12) Time limit for reopening of assessments is proposed to be reduced from 10 years to 5 years.

(13) The cost of a cash register machine is proposed to be allowed as a business expenditure, for tax purposes, in two years in equal installments.

(14) It is proposed to empower the Central Board of Revenue to fix rates other than the standard rate of export rebate, for goods which it may specify.

II. [no Roman One as published] Wealth Tax:

A. Surcharge, to be called 'Defence Tax,' at the rate of ten per cen of the wealth tax payable is proposed to be levied.

B. Indirect Taxes:

I. [Roman One as published] Central Excise Duty:

(1) As price of natural gas has been raised and brought at par with that of furnace oil, the exemption from excise duty enjoyed by glass factories using furnace oil (and not using natural gas) is proposed to be withdrawn.

(2) In order to reduce inequality in taxation between aerated beverages of local and foreign brands it is proposed to enhance rate of excise duty on local brands of aerated beverages from Ps. [paisas] 60 per standard bottle to ps. 80 per standard bottle.

(3) As the price of JPI [Jet Petroleum] fuel is being reduced, it is proposed to withdraw exemption of excise duty of Ps. 6 per litre on jet fuel used by PIAC [Pakistan International Airlines Corporation] in its domestic flights.

(4) With a view to providing relief to lower and middle income consumer of services provided by hotels and restauarants, it is proposed to enhanced exemption (central excise duty) limit for room-rents in hotels from Rs75/- to Rs100/- per day and from annual turnover of Rs5 lac to 8 lac in the case of non-airconditioned restaurants.

(5) The excise duty on petroleum jelly is proposed to be reduced from 67 1/2 per cent ad valorem to bring the rates at par with those of Customs duty.

(6) To encourage the local manufacture and to enable it to compete with imported products it is proposed to reduce the rate of excise duty on "petroleum products not otherwise specified" from 50 per cent ad valorem to 30 per cent ad valorem.

II. Sales Tax:

(1) In order to discourage smoking which is injurious to health, it is proposed to withdraw sales tax exemption enjoyed by locally manufactured cigarettes and to subject these to sales tax at 12 1/2 per cent of retail price.

(2) Local beverage industry is now well established and enjoys adequate trade and tariff protection against imports. It is, therefore, proposed to withdraw sales tax exemption enjoyed by beverages and subject this item of consumption of well-to-do class to a sales tax of 12 1/2 per cent retail price.

(3) As price of natural gas has been raised and brought at par with that of furnace oil, exemption from sales tax enjoyed by glass factories using furnace oil (and not using natural gas) is proposed to be withdrawn.

(4) The exemption from sales tax enjoyed by domestically produced "petroleum jelly" is proposed to be withdrawn to equate with tax incidence on its import. The local industry would, however, obtain overall relief as higher rate of central excise duty has been reduced to bring it at par with Customs duty.

(5) In order to encourage domestic production of plastic chips and granules, by the process of reclamation from waste plastic material, it is proposed to exempt plastic chips and granules so produced from levy of sales tax.

III. Defence Tax on goods locally produced/manufactured and services locally provided/rendered:

With a view to involving the participation of every citizen in the national defence and also augmenting domestic revenue receipts for defence purposes, it is proposed to levy Defence Tax on all excise dutiable/sales taxable domestic goods and services, at 5 per cent of the value. The salient features of the scheme are that:

— The goods and services which are exempt from the levy of both central excise duty and sales tax, shall contunue to be exempt from the Defence Tax also:

— The goods which are simultaneously liable to both the central excise duty and sales tax shall be subjected to the Defence Tax only once: and

— POL [expansion unknown] products, the prices of which are fixed by the Government, shall be exempt from Defence Tax. However, natural gas shall be liable to this tax.

IV. Defence Tax on Imported Goods:

With a view to giving every citizen a sense of participation in the defence of the country and to curtial dependence on foreign aid, it has been proposed to levy Defence Tax at the rate of five per cent of the deputy paid value on all those imported goods on which Customs duty, sales tax, import surcharge or Iqra [literacy program] surcharge is leviable.

V. Customs Duties:

(1) The tariff structure has been rationalised according to the following guiding principles of the Tariff Committee to evolve a balanced and improved scheme:

(A) Rates of Customs duties on raw material and intermediate goods should generally range from 20 percnet to 50 percent. The goods in elementary from will attract 20 percent rate of duty. The rate of duty will be higher for goods that have undergone an elaborate manufacturing process.

(B) Rate of Customs duty on consumer goods will generally range from 60 percent to 150 percent. In this category, the goods of common and essential use will attract 60 percent rate of customs duty and the rate will be higher for categories which can include luxury items.

(C) The rate of duty on capital goods will range from 20 percent to 80 percent. Capital goods not manufactured in the country will generally be charged to 20 percent Customs duty while those manufactured in the country will be charged Customs duty of not more than 80 percent.

(D) The primary and secondary plastic raw materials are proposed to be charged with Rs 9.00 per kg and 80 percent ad valorem instead of Rs 13.00 per kg and 100 percent ad valorem respectively.

(E) The rate of Customs duties on unwrought metals has been decreased from 20 percent to 10 percent. The semi-finished products presently chargeable at 80 percent ad valorem Customs duty will not be charged at 60 percent and those chargeable at 60 percent ad val. Customs duty will now be charged at 40 percent.

(F) For the development of textile industry, it is proposed to decrease the rate of Customs duty on man-made fibre from Rs20.00 per kg to Rs14.00 per kg. Likewise the duty on man-made yarn is proposed to be reduced from Rs30.00 per kg to Rs25.00 per kg. It is hoped that these measures will prove conducive for the development of textile industry.

(G) The rate of duty on wood, plywood, batten board is being reduced. Wood other than teak wood is proposed to be charged 50 percent ad valorem duty. The duty on plywood and batten board is being reduced from 225 percent to 125 percent. Import duty on bamboos will now be 40 percent instead of 80 percent.

(H) The rate of duty on import of silicon is being reduced from 40 percent to 20 percent.

(J) [no I as published] To promote the basic chemical manufacturing industry, it is proposed that two basic chemical raw materials of the industry i.e. ortho xylene and ethyl hexanol which are not produced in the country be charged to the Customs duty at the rate of 20 percent instead of 40 percent and 60 percent.

(K) Methanol which is the basic raw material for production of urea formaldehyde is being allowed duty free instead of 20 percent Customs duty.

(L) Platinum/rhodium gauze which is used as a catalyst in the production of calcium ammonium nitrate and nitro-phosphate fertilizer is proposed to be charged with Customs duty at the rate of 50 percent ad valorem instead of 150 percent ad valorem.

(M) Fibre glass filter bags which are used as filtering medium in chemical industry are proposed to be charged with Customs duty at the rate of 20 percent instead of 80 percent.

(2): Concessions for the Engineering Industry:

(A) To boost oil exploration in the country it is proposed to allow import of raw material and components for manufacture of oil exploration equipment in bond at the consolidated rate of 5¼ percent ad valorem.

(B) To encourage production of electricity generators it is proposed to allow duty and sales tax free import of raw material and components for the generators below 100 KV to all the recognized manufacturers.

(C) To encourage local manufacturing of grinding wheels it is proposed that raw material for manufacture of grinding wheels be allowed at concessionary rate of 20 percent Customs duty to the manufacturers of these goods.

(D) It is proposed to allow raw material Customs duty free for fibre glass pipes and steel pipes of specific internal diameter if these are to be supplied against international tenders.

(3) Concessions for Textile Industry:

Concessions of import duty are proposed to be further liberalised as follows with a view to promoting the textile industry:

(A) Calendering machines will be allowed duty free instead of 20 percent Customs duty if imported by textile processing industry for initial installation, modernisation, replacement or extension.

(B) Twisting machines for towel industry if imported under BMR are proposed to be allowed duty and sales tax free as against existing rate of 50 percent Customs duty and 12½ percent sales tax.

(C) Autocone winding machines are proposed to be allowed sales tax free if imported under BMR scheme.

(D) Regulatory duty of 20 percent is being removed on circular weaving looms above 130cm in single flat width, which are not manufactured locally.

(4) Concessions for Transport Industry:

In order to alleviate the difficulties in transport in the urban areas of Pakistan comprehensive package of incentives is proposed to be extended to the transport industry as given below:

(A) The rate of duty on CBU [Completely Built Up] bus chassis is being reduced from 40 percent to 20 percent ad valorem.

The sales tax at the rate of 12½ percent chargeable on these buses is also being abolished.

(B) Bus chassis in CKD [Completely Knocked Down] condition if imported by overseas Pakistanis or assemblers of buses are proposed to be allowed Customs duty and sales tax free subject to the deletion programme of the Government.

(5) Concession to Agriculture Sector:

Agricultural sector is very important in the development of the economy of Pakistan. The following concessions are being extended to this sector.

(A) Equipment and materials for drip irrigation system and Green Houses are proposed to be allowed duty and sales tax free if imported for specific agricultural projects. This includes plastic sheets and plastic wire netting, not manufactured in the country.

(B) For better soil preparation the import of power harrow, para plough, vibro subsoiler, manure spreader, inter-row cultivator and self-propelled hoeing equipment are proposed to be allowed at the rate of 20 per cent instead of 80 per cent ad valorem Customs duty provided these are not locally produced.

(C) Solar irrigation pumps for irrigation purposes are proposed to be allowed Customs duty and sales tax free.

(D) Soyabean meal is proposed to be allowed duty and sales tax free to all the importers instead of poultry feed millers.

(E) In addition to existing concessions for development of live-stock, the embryo transplant equipment and medicineschemicals are proposed to be allowed duty and sales tax free.

(F) Refrigerated lorries at present pay 80 percent Customs duty. It is proposed that Customs duty on these lorries be decreased from 80 per cent to 20 per cent provide an incentive to dairy industry, fruit and vegetable preservation etc.

(6) Steps for rationalisation of tariff structure:

Various steps have been taken to rationalise the existing tariff structure. These are given below:

(A) Duties on sago, sago flour, tamarind, broomsticks and menthol have been converted into specific rates. Now these will be charged to Customs duty at the rate of Rs 4/-, Rs 4/-, Rs 2/- and Rs 150/. per kg respectively.

(B) Oil seals with metals and without metals are proposed to be charged to 60 per cent Customs duty and 12½ per cent sales tax.

(C) All types of steel sheets namely hot rolled, cold rolled, galvanised and coloured/prepainted are proposed to be charged to a uniform rate of Customs duty at Rs 4000 per metric ton with sales 12½ per cent.

(D) The duty on metal watch bracelets was decreased from 175 per cent to 150 per cent last year. To curb smuggling of this item the duty is being decreased from 150 per cent to 60 per cent ad valorem.

(E) The duty on ships for scrapping has been converted into specific basis and now these will be charged with Customs duty at the rate of Rs1300 per metric ton with no sales tax.

(F) All varieties of rubber scrap are proposed to be charged with 20 per cent Customs duty.

(G) Cheque books, traveller cheques and credit card slops are proposed to be charged Customs duty at the rate of Rs0.40 per cheque or per slip.

(H) At present duty on machine tools for working stones, ceramic, concrete, asbestos cement and light mineral material crok, bone, ebonite, hard artificial plastic material and other hard carving material is 20 per cent ad valorem. These machines tools are proposed to the allowed duty free. It is hoped that this step will help the local industry.

(I,J) At present Iqra surcharge and import surcharge at the rate of 5 per cent ad valorem are being charged on the import of raw materials for manufacture of drugs and medicines while imported drugs and medicines are free of these surcharges. This anomaly is being removed and Iqra and import surcharges are being levied on imported drugs and medicines.

(K) In addition to above concessions and tariff rationalisation Tariff Committee has proposed to decrease duties on many items like pulp wood, drawn wood, wood shaving, chip wood, animal

black, carbon blocks, plates and bars, artificial waxes, coral and similar substances.

(L) The duty on saccharine and its salts has been decreased from 150 per cent to 80 per cent.

(M) The Tariff Committee has rationalised the rates of Customs duty on various items, some of them are given below:

Cyanides and complex cyanides, borax, tungsten carbide, hydrides, nitrides, borides, esters of acetic acid, sulphuric esters etc., amine function compound, oxygen function amino compounds, quaternary ammonium salts and hydroxides, lacithins, carboxymide function compound, amide compound of carbonic acid other than calcium benzamide salicylate, calcium benzamide salicylate, therapas, nitrile function compound, diazo, azo, azoxy compound, organic derivatives of hydrazine or of hydroxyl amine, compounds with other nitrogen function provitamins and vitamins, hormones, glycosides chemically pure sugar, antibiotics, lubricating preparations, refractory cements, synthetic lubricating oil for aircraft engines.

(N) Duties on products like starches and insulin, glycerol, beeswax, seed lac etc. are being decreased from 80 per cent to 40 per cent ad val. duty on umbrella fittings is being decreased from 80 per cent to 50 per cent ad valorem. The rate of duty on import of chocolate powder and coverture is proposed to be decreased from 150 per cent to 100 per cent ad valorem.

The prices of motor gasoline have been increased from the present Rs6.95 per liter to Rs .15 per litre.

Kerosone oil price per litre has been raised by a rupee from Rs3 a liter to Rs4 a litre.

High speed diesel (HSD) oil prices have been enhanced from Rs3.85 a litre to Rs4.25 a litre and light diesel oil from Rs2.80 to Rs4 a litre — an increase of Rs1.20 a litre.

The prices of furnace oil have been increased from Rs1,650 a tonne to Rs1,980 a tonne.

The prices of jet petroleum, used in aviation, have been decreased to a great extent. The aviation petrol which was provided to foreign airlines at Rs5.77 a litre and for local flights at Rs5.50 a litre will now be available to them at an equal rate of Rs3.96 a litre.

The reason given by the Finance Minister in his speech for increase in the petroleum and petroleum products was that the prices of crude oil in the international market have increased from 14 dollars a barrel to 18 dollars a barrel. He expected a further increase of two dollars a barrel in the international prices in the near future.

He expected a deficit of Rs3,870 million in the resources because of envisaged increase in the prices of crude oil in the international market.

The excuse for increase in the prices of kerosene oil, as forwarded by the Federal Minister, was that the increase would discourage the adulteration of kerosene in HSD and LDO [light diesel oil] and thus would save expensive machinery from damage.

The increase in the price of furnace oil, according to the Minister, had been necessitated as the Government was providing a subsidy of Rs 345 million a tonne in its import.

The reduction in the prices of JPI (jet petroleum) was made in order to bring the prices of aviation petrol at par with the prices of aviation petrol available at other airports of this region.

It is expected that an amount of Rs 3,670 million would be earned by the Government because of the increase in the prices of petroleum products.

The rates of natural gas for domestic as well as commercial and industrial consumers have been enhanced by 10 and 15 percent respectively.

Three consumption slabs have been fixed for domestic consumers and the rate has been increased after every slab. The more you consume, the more you will have to pay.

The logic for enhancing the prices for power generating units and industrial concerns is to bring the charges at par with the prices of furnace oil, which are used as an alternative source by some units. They will have now to pay Rs 47.45 for a thousand cubic feet. The commercial consumers will have to pay Rs 53.40 for a thousand cubic feet.

The subsidy allowed to the domestic consumers had been withdraw and three rates have been fixed for them.

The rate for the lowest slab will be Rs 24 for a thousand cubic feet, middle slab Rs 30 for a thousand cubic feet and highest slab Rs 36 for a thousand cubic feet.

The rates are likely to be further increased as the concerned department would convert these into rates for a hundred cubic metre.

The Government is expecting an income of Rs 1,250 million from this head.

A 15 percent rise has been made in the electricity charges. However, the domestic consumers, who use less than 300 units of electricity a month would have to pay ten percent from July 1, 1987.

The increase, according to the Finance Minister, had been necessitated in order to mobilise resources for future developments.

Changes have also been indicated in the fuel adjustment charges (FAC), which would be announced later sometime.

The increase in the prices of electricity charges is expected to generate revenues to the tune of Rs 1,310 million.

The ten paisa a call increase in the local telephone charges, and STD and non-STD charges made last year was not levied on

manual trunk calls. Now the manual trunk calls would also be subjected to this increase.

A new rate list of telephone charges would soon be issued by the Telephone Department.

The people who travel abroad would have to pay a duty of ten dollars on every ticket for their every visit. They would be allowed to pay the money either in foreign exchange or an equivalent amount in Pakistan currency, according to the currency rate.

The duty would badly affect the overseas Pakistanis, who are the main travellers.

The travelling and ticketing companies would receive the amount from the people and deposit them in the government treasury.

The total revenue expected from the increase in the prices of petroleum and petroleum products; natural gas charges; telephone and persons visiting abroad is expected to be to the tune of Rs 6,500 million.

Thus the total deficit in the budget would be reduced from Rs 30,310 (or Rs 30.31 billion) to Rs 23,810 million after deducting Rs 6,500 million expected additional revenue from the deficit.

Revenue Effect of Tax Measures, 1987-88.

(A) Direct Taxes.

A.I [Roman One] Income Tax and Wealth Tax (Rs in million).

1. Reduction in tax rates and increase in exemption limit for registered firms: minus 218.00; 2. increase in basic exemption limit for individuals etc: minus 190.00; 3. concessions to coal mining industry: minus 20.00; 4. increase in exemption to monthly income scheme: minus 5.00. Total: (minus) 433.00. Net financial effect (minus) 433.00.

A.II [Roman Two] Defence Tax on Income Tax and Wealth Tax (Rs in million).

Levy of defence tax as surcharge on income tax and wealth tax: (plus 1200.00); Net financial effect (plus 1200.00).

B. Indirect Taxes

B.I [Roman One] Central Excise Duties (Rs in million).

1. Glass and glassware manufactured without the aid of natural gas: plus 10.00; 2. local brand aerated waters: plus 10.00; 3. JP-1 for PIA's domestic flights: plus 10.00; 4. rationalization and relief in duty on hotels and restaurants: minus 10.00; 5. relief in duty on petroleum products, not otherwise specified: minus 1.00; 6. relief and rationalization in taxation petroleum jelly: minus 3.00. Total: (plus) 30.00, (minus) 14.00. Net financial effect: (plus) 16.00.

B.II [Roman Two] Sales tax on locally manufactured goods (Rs. in million).

1. Cigarettes: plus 1,000.00; 2. beverages: plus 375.00; 3. glass and glassware manufactured without the aid of natural gas: plus 13.75; 4. petroleum jelly: plus 2.00; 5. reclaimed plastic chips and granules: minus 5.00; 6. special efforts: plus 310.00. Total: (plus) 1,700.75, (minus) 5.00. Net financial effects: (plus), 1,695.75.

B.III [Roman Three] Defence Tax on locally produced excise dutiable/sale taxable goods and services (Rs in million).

Fresh Levy: plus 3,300.00; net financial effect: (plus) 3,300.00.

B.IV. [Roman Four] Defence Tax on imported goods which are chargeable to Customs duty, sales tax, import surcharge of Iqra surcharge (Rs in million).

Fresh Levy: plus 6,880.00; net financial effect: (plus) 6,880.00.
B.V [Roman Five] Customs (Rs in million).

1. Tariff rationalization: plus 195.00, minus 1195.00; 2. drip irrigation system special plastic sheets, plastic wire netting, water sprinklers and greenhouses: minus 30.00; 3. soyabean meal: minus 10.00; 4. ortho xylene, ethyl hexanol: minus 30.00; 5. filter bags: minus 5.00; 6. metal watch bracelets: plus 10.00; 7. Calendering machine for textile: minus 20.00; 8. twisting machines (textiles machinery): minus 40.00; 9. autocone winding machine: minus 45.00; 10. circular weaving looms: minus 15.00; 11. generator components below 100 KVA: minus-negligible; 12. oil exploration equipment: minus-negligible; 13 bus chassis: minus90.00; 14. ships for scrapping: minus 80.00; 15. embryo transplant equipment and chemicals: minus-negligible; 16. methanol: minus 10.00; 17. refrigerated transport lorries: minus 30.00; 18. power harrow, para plough, vibro suboiler, manure spreader, inter-row cultivator and self-propelled hoeing equipment: minus 10.00; 19. solar irrigation pumps: minus 5.00; 20. grinding whells, fibre glass pipes and steel pipes: minus 25.00; 21. finished drugs: plus 130.00; 22. oil seals: plus 20.00; 23. steel sheets, hot rolled, cold rolled, galvanised, coloured and prepainted steel sheets: plus-negligible; 24. menthol: plus 15.00; 25. sago, sago flour, tamarind: plus 5.00; 26. rubber scrap: plus 12.00; 27. cheque books, travellers' cheques and credit card slips: plus 2.00; 28. withdrawal of concessions of replacement parts by assemblers of two and three wheelers: plus 2.00; 29. rescinding of notification No. SRO 497 (1)/84, dated 14 June 1984: plus 5.00. Total: (plus) 396.00, (minus) 1,640.00. Net financial effect: (minus) 1,244.00.

Net Revenue Effect (Rs in million)

1. Income tax and wealth tax: plus 1200.00, minus 433.00; 2. central excise duties: plus 30.00, minus 14.00; 3. sales tax on locally manufactured goods: plus 1700.75, minus 5.00; 4. customs duties: plus 396.00, minus 1640.00; 5. Defence Tax on income tax andwealth tax: plus 1200.00; 6. Defence Tax on locally manufactured goods: plus 3300.00; 7. Defence Tax on imported goods: plus 6880.00. Total: (plus) 13,506.75, (minus) 2,092.00. Net revenue effect: (plus) 11,414.75.

Hameed, Dixit Meet on Jaffna Relief Supplies

BK111424 Colombo LANKA PUWATH in English 1415 GMT 11 Jun 87

["OANA/pool" item]

[Text] Colombo, June 11 (*Lanka Puwath*) — Indian High Commissioner in Sri Lanka J N Dixit called on Sri Lankan Foreign Minister Shahul Hameed this evening at the Foreign Ministry in Colombo with the proposals of the Indian Government for the supply and distribution of the food, states a communique issued by the Foreign Ministry in Colombo this evening.

Minister Hameed discussed the proposals with Mr Dixit. Both agreed to have another meeting shortly.

Jayewardene Says Nation Will Never Fight India

BK111132 Colombo International Service in English 1045 GMT 11 Jun 87

[Text] Violence cannot defeat anybody in this world. All the efforts in the way of obstacles could not inhibit Lord Buddha. The opponents of Jesus Christ also failed in their efforts to defeat him. President Jayewardene said that religious leaders as well as leaders like Mahatma Gandhi had achieved success in their mission through satyagraha [nonviolent struggle] and nonviolence. Mr Jayewardene observed that Sri Lanka was facing various problems at present. But, as we are following the correct path, the final victory will be ours.

The president was speaking at a ceremony held this morning to enshrine sacred relics at the (Mirich Parvatiya Chaikiya). The president said that they will never fight India which is a big country and that they will not take up arms against India. Mr Jayewardene added that India was following the wrong path, forgetting the teachings of Lord Buddha and Mahatma Gandhi who were born on Indian soil. He said that Theravada Buddhism and the noble policies of Mahatma Gandhi are in practice in Sri Lanka. Therefore, Mr Jayewardene noted, we are not swayed in the midst of the present crisis. The president said that ancient monuments, such as the (Chaikiya), held the lost glory of the Sinhala nation to the world. The president recalled that Buddhism has been protected in Sri Lanka for over 2,500 years and that except for some centuries the independence and sovereignty of the country have been maintained.

Security Minister on Civil Administration, Talks

BK111146 Colombo International Service in English 1045 GMT 11 Jun 87

[Text] The government is now engaged in strengthening the civil administration in parts of Jaffna liberated by the security forces. The minister of national security, Lalith Athulathmudali, said that an opportunity could be provided during this period of consolidation to those willing for discussion. The minister was addressing the prize giving [ceremony] at the Roman Catholic Vidyalaya [school] at Mount Lavinia near Colombo last evening. He said that the government will be compelled to take other steps if the terrorists did not show a desire for talks during this period.

Mr Athulathmudali pointed out that the security forces have the strength to extend the operation carried out at Vadamarachchi to any other area. Detailing the activities in the area controlled by the forces, the minister said that steps have been already taken to streamline health services and to reopen schools. He said that everybody will come to realize that they are able to live an independent and smooth life under the government's civil administration compared with the repression practiced by the terrorists. Mr Athulathmudali added that there were hard-core terrorists among the suspects taken into custody at Vadamarachchi and that legal action will be taken against them.